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NEW VOICES IN FARM AND FOOD POLICY  
SPEAK ABOUT U.S. FARM STRUCTURE

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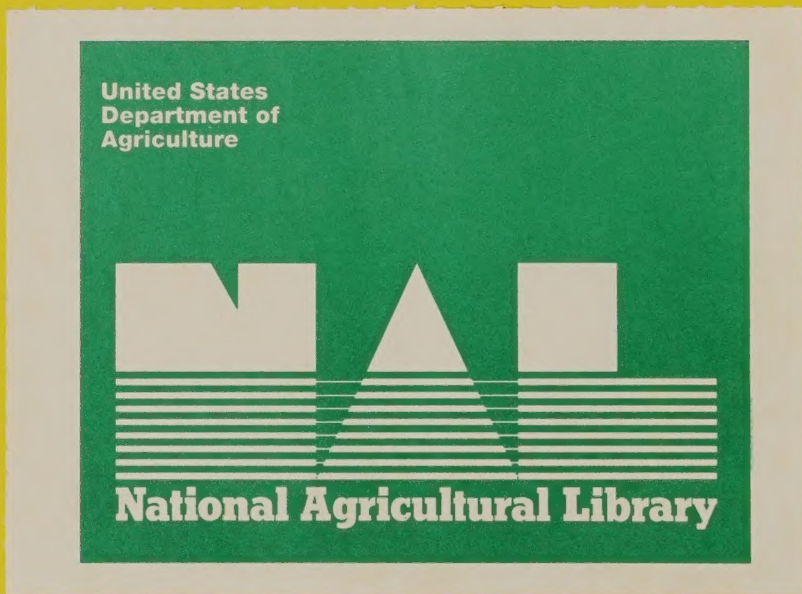
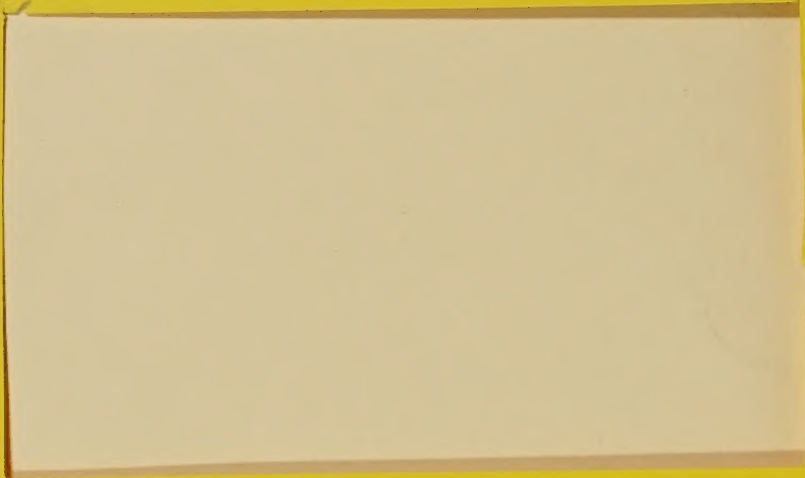
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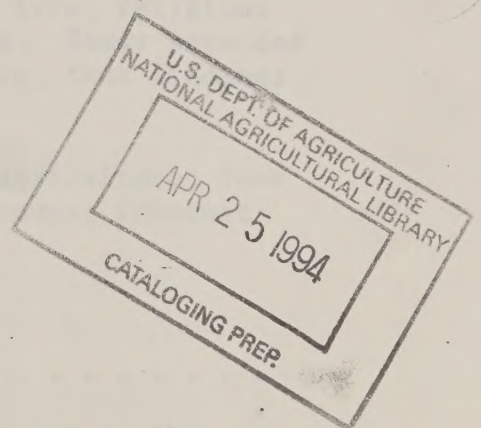
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#### ABSTRACT

This study investigates the attitudes of about fifteen nonfarm food and agricultural interest groups toward current issues related to the structure of U.S. farms and agriculture in general. Forty some questions were asked of representatives of Washington, D.C.-based political interest groups in a personal interview setting. Topics covered include, among others, commodity programs, increasing land values, farm size and technology, nonfarm employment in rural areas, energy production and water use in the western U.S. environmental concerns, alternative agriculture, landownership and the organization of farming, food costs, and nonfamily corporate farmers. The kinds of interest groups interviewed included world hunger, consumer, environmental, rural life, religious relief groups, and general food policy research groups. Study intended only as feasibility study for possible future expansion, thus findings are at best suggestive, although illuminating.

Key words: farms; farm structure; structure of U.S. agriculture; food and agricultural policy, nonfarm political interest groups; interest groups, politics.

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## TABLE OF CONTENTS

### SUMMARY OF RESEARCH

EXPLANATION OF PROJECT	1
CONCLUSIONS	3
LIMITATIONS OF THE STUDY	7
RECOMMENDATIONS FOR FUTURE RESEARCH	8

SUMMARY OF RESPONSES FROM INTERVIEWS	10
--------------------------------------	----

### BODY OF REPORT

INTRODUCTION	23
BACKGROUND TO THE PROJECT	24
THEORY, RESEARCH DESIGN & METHODOLOGY	25
DATA REPORT AND DISCUSSION	28

<u>Characteristics of the Organizations</u>	30
Discussion	34

<u>Organizational Perceptions of Farm Structure</u>	36
Discussion	38

<u>Production Efficiency:</u> commodity programs, rising land values, agricultural cooperatives, farms and monopoly market power, economies of farm size and food costs, agricultural technology	39
--	----

Production Efficiency: Discussion	49
-----------------------------------	----

<u>Future of Rural Areas:</u> farmers' exit from farming, farm size trends, energy costs, nonfarm employment in rural areas, energy production in western agricultural areas, water use in the western United States	52
--	----

Future of Rural Areas: Discussion	64
-----------------------------------	----

<u>Broader Social Concerns:</u> environmental protec- tion and food costs, inflation, agricultural land use, alternative agriculture, farm exports	66
---	----



Broader Social Concerns: Discussion	74
<u>Values, Beliefs, Heritage of American Farming:</u> landownership, farming and democracy; food aid; landownership and property rights; organization of farming and food costs; nonfamily corporate farmers; moral strength of the country and small farms.	76
Values, Beliefs, Heritage of American Farming: Discussion	85
<u>Perceptions of Small Farms and Influences Upon</u> <u>Them:</u> commodity programs, expanded U.S. exports, demand created by food stamp and food distribution programs, rural development, credit availability, agricultural research and education, suburban development, income taxes, estate taxes, nonfarm employment	88
Discussion	96
<u>Preferences in Tradeoff Issues:</u> land ownership, environmental quality/food cost, food safety/ food cost, resource mix in agriculture, govern- mental intervention in agriculture, relation between price/income support and small farms	97
Discussion	103
<u>Respondents' Concluding Remarks</u>	106
1980	107
General Remarks and Messages to USDA	109
APPENDIX I: SURVEY QUESTIONNAIRE	113
APPENDIX II: BIBLIOGRAPHY	116
APPENDIX III: DIRECT QUOTATIONS FROM INTERVIEWS	118



## SUMMARY OF RESEARCH

The purpose of this research was to discover the attitudes of selected, nonfarm food and agricultural interest groups toward the structure of U.S. agriculture.

"Farm structure" was never defined in this research; rather, those interviewed were asked to supply definitions during their respective interviews. "Food and agricultural interest groups" might be defined as all those non-institutional 1/, non-individual actors in the process of food and agricultural policy-making. Such groups may be further divided into "farm" and "nonfarm" categories. Those nonfarm groups interviewed in this research include: consumer, world hunger, rural life 2/, environmental, general policy research and religious relief groups. They were chosen from the Washington, D.C. area in the interests of limited time and proximity to both the researcher and the policy-making center.

The study focuses on the characteristics of the groups themselves, their attitudes toward some twenty issues related to farm structure, and their opinions of historical influences upon small farms. Fewer than fifteen interest group representatives were asked a total of forty-three questions in a personal interview setting. The twenty questions relating to substantive issues of

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1/ "Institutional" in the political sense of being part of the Executive (including bureaucratic), Judicial or Congressional branches of Government.

2/ Concerns for "rural life," it may be argued, might well be broader than concerns strictly about "farms." Thus, these groups are herein categorized as "nonfarm."



farm structure were categorized into four general areas: production efficiency, the future of rural areas, broader social concerns related to agriculture, and the values, beliefs and heritage of American farming. 3/

The research undertaken was not intended to be a definitive work on the attitudes of all such food and agricultural interest groups toward farm structure. Rather, it was an effort to ascertain those attitudes from a small number of groups whose orientations to the issues would be very diversified. 4/ Thus, its findings cannot be seen as conclusive, but are only suggestive. At best, the study can be seen as a prototype of an information-gathering activity which USDA policymakers may see fit to make a regular part of their data-servicing efforts.

The principal conclusions of the research appear below, as do some recommendations for further research and a summary of the responses to the questions. In the appended, larger report appear: the background to the study; the research theory, design and methodology; and a much-expanded report of the responses gathered. Three appendices include the questionnaire used in the research, a bibliography, and some of the direct quotations from the interviews, respectively.

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3/ A copy of the questionnaire is contained in Appendix 1.

4/ There was one principal reason why the number of representatives of these groups was so small. It was that the time frame for the study was four months, chosen to draw upon the skills of, and utilize the internship period of, a summer intern at USDA. In such a limited time period, it would not have been possible to interview more groups' representatives and complete a final report with any dispatch.

## CONCLUSIONS

- 1) The nonfarm food and agricultural interest groups appear to be here to stay as actors in food and agricultural policymaking. They have a history of involvement in public interest work, even if their interest in food and agricultural policy is relatively recent. All of those interviewed indicated that farm policies were relevant to their organization's principal concern, and most indicated that they would utilize some portion of their organizational resources during 1980 to address farm structure questions in preparation for the 1981 farm bill.
- 2) Most of those interviewed were knowledgeable about farm structure issues. Some questions touched more closely to home than others for the groups; for example, environmentalists felt most comfortable with questions related to pesticides, land use and the environment. Yet, even in cases where respondents felt less comfortable, they were willing to grapple with tough questions and answer thoughtfully. All of the interviewees gave at least an hour and a half of their time to answering the questions posed by the interviewer. Additionally, most seemed very pleased that a USDA representative was seeking their opinion on these issues, and were gratified that the Department was looking for alternate views--which were sometimes sympathetic, though outside the Department. These two facts would seem to indicate that these groups would gladly

participate in and contribute much to a dialogue on farm structure.

- 3) If nothing else, this research should dispell any stereotypes about nonfarm food and agricultural interest groups. Their viewpoints do not aggregate into a monopolithic position always counter to that of USDA. Many of the things that are controversial within USDA or the society are controversial among the groups. They did not uniformly advocate a nation of small farms nor the complete prohibition of nonfamily-held corporations from farming. The use and kinds of agricultural technology, energy development and water use in the western United States, and nonfarm employment coupled with part-time farming as the only way to buoy rural communities were, among others, controversial issues for the groups. Where there is such controversy, there is room for discussion, and, possibly, the discovery of new approaches and solutions to problems-- past, present and future problems.
- 4) Perhaps most revealing was the fact that as many groups argued for decision-making according to strictly economic criteria and measures as articulated a desire to see socio-political goals formulated, aside from, and only bolstered by, economic arrangements. One example would be that of the existence of small farms. Many respondents thought that such should not be maintained in the face of economic adversity; while as many



argued that had their preservation truly been a social goal for social reasons, economic and fiscal policies could have been designed to guarantee their existence. The question of the exact relationship among the social sciences, particularly economics and politics, is of long-standing debate among both academicians and governmental policymakers. Yet, advocating either a polis subject to development by "free market" forces, or one naively unattuned to economic verities would be foolish. And the groups do not take a position at either extreme. Rather, what they seem to be saying is: To create such things as commodity programs--ostensibly to enhance small farms--which over thirty years result more in their elimination, is clearly to mismatch rhetoric and reality. Consistency with respect to this and other farm structure issues between goals and implementation would be the desire of most of these groups, especially as regards the agents of public policy--particularly USDA.

- 5) Lastly, no clear picture emerged from the interviews of what "farmers" are anymore. Some interviewees defined them as "victims" who had "sold their souls to the banks" and were expanding to "survive economically." To others, they were rich individuals who could take appreciated values on purchased land in lieu of income: they were "not doing too badly." The variation in these views should not be interpreted to mean

anything but a recognition by the interest groups that farm producers are a diverse group. As with any other cluster of people in the society, "farmers" are not all alike. To have policies, therefore, which treat them all alike is to have results which impact differently upon each. If diversity is to be a goal of American farm structure, and it is not clear to the interest groups that diversity is in fact a goal, public policies should be tailored differently for small, medium and large farmers, for different crops and for different regions. In the words of one interviewee, commodity programs, for example, could continue to assist large and medium-sized farmers, and other programs could be designed to help the small farmers. More finely tuned analyses of the diversity and innovation in programs to maintain it is likely to take a lot of work; it is for others to decide whether it would take any more work than is already being done--to different ends.

### LIMITATIONS OF THE STUDY

The major difficulty with the results of the study is that only a minimal amount of information can be inferred. Too few persons were interviewed to be able to properly extrapolate their answers to represent the attitudes of the entire population of nonfarm food and agricultural interest groups. What is reflected in the results only holds for a very small proportion of the political interest groups active in this policy area.

Another problem was that nonfarm interest groups in some of the selected categories chose not to be interviewed. Various reasons were given: they had not received the introductory letter, they had just lost their food and agriculture expert, or they felt that the farm structure issues were irrelevant to their groups' work. Some consumer groups were among those offering this last reason for not participating.

There were a few problems with both the questions in the questionnaire and the analysis of the data that were collected. Respondents found some questions vaguely worded or the concept behind certain questions difficult to understand. As for the data analysis, there are two main shortcomings. The first is that it was impossible to maintain the integrity of individual interviews with so small a number of interviews and time constraints preventing the use of any computer capability. Thus, determining whether a response given in one place was consistent with another



response in the same interview was not part of the analysis. The second problem with the data analysis was, in part, contingent, again, upon the small number of responses. No attempt was made to discover whether all groups similarly classified, for example, as "world hunger" groups, had similar attitudes toward the issues of farm structure.

Lastly, it may have been useful to ask the groups' representatives somewhat normative questions at certain points in the interview. For example, at the end of each set of substantive issues questions, respondents could have been asked: "What do you think the food production system should look like?" "What should the landscape of rural America look like in the future?" "How does farm structure relate to broader social concerns?" and "What values from the heritage of American farming are worth preserving in American society?" Perhaps this kind of information could be collected in another research project; perhaps it will emerge during the national dialogue on farm structure.

#### RECOMMENDATIONS FOR FUTURE RESEARCH

Possibilities for further research along the lines formulated for this project include:

- Extending the number and kind of nonfarm food and agricultural interest groups interviewed, and asking similar questions about farm structure. An increased

number of groups in the same category might result in an extrapolation, for example, of a "consumer" view of farm structure. An increase in the kinds of groups interviewed might reveal more diverse groups' thinking on farm structure.

- Interviewing a similar number of "farm" interest groups using the same set of questions on farm structure. Following that, a comparison could be made between the attitudes of farm and nonfarm groups on the same issues of farm structure.
- Retaining the same number of nonfarm interest groups, or increasing their number and kind, and soliciting their opinions on different policies and issues being discussed within the U.S. Department of Agriculture.





## SUMMARY OF RESPONSES

### 1) Organizational characteristics

The interviewees were all in some leadership capacity in their organizations, almost all of which existed prior to the "food crisis" years. Most utilized the public record for information, had large, professional staffs, and the majority had large mailing lists or other audiences, if not actual members. Several had "informal linkages" to similar interest groups, usually for research purposes. All the interest groups' 5/ spokespersons saw farm policies as related, directly or indirectly, to their organization's principal concern. (See Table 1.) Most of the interest groups' representatives said their respective organizations would be working on these issues of farm structure in one way or another during 1980. (See pp. 30-36 for an elaboration upon these data.)

### 2) Interest Groups' Definition of Farm Structure

The majority of interest group respondents included either one or the other of the input or output sub-sectors in their definitions of "farm structure." Few viewed it as related only to the production sector. (See pp. 36-39 for an elaboration upon these data.)

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5/ The term "interest group when used in this report will refer to the selected, nonfarm food and agricultural interest groups whose representatives were interviewed during this research.

TABLE 1 - PRINCIPAL CONCERNS ARTICULATED BY SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS, AND THEIR PERCEPTION OF THE RELATIONSHIP BETWEEN FARM POLICY AND THOSE CONCERNS.

<u>CATEGORY OF GROUP</u>	<u>PRINCIPAL CONCERNS</u>	<u>RELATION OF FARM POLICY TO CONCERNS</u>
General policy research	Quality and consistency of U.S. public policies; world peace; human rights; world hunger and domestic farm structure; changing society for improvement of life for people.	Direct. Agriculture as important part of the U.S. budget; people's well-being dependent upon food supply; saw value in people controlling their own lives through social institutions upon which federal policies have impact.
World hunger/ International Development	Pursue policies to reduce malnutrition in developing countries, third world development, eliminating world hunger.	Direct. Policies affect U.S. food production and reliability as a source; U.S. agricultural trade policy relates.  Indirect. Food aid, agricultural trade policies, domestic policies have an international impact.
Consumer/Nutrition	National food policy of safe, nutritious, affordable food supply for all Americans.	Direct. Maintenance of food programs is necessary, although the 1977 farm bill did not mention as a goal an adequate diet for hungry Americans.
Religious relief	Human rights, poverty, third world development, international economic justice, arms race and weapons' transfers.	Indirect. International focus of group, yet saw policies related because of the policy of farming as big business and corporate involvement in it, both in the United States and overseas.
Rural life	Meeting needs of the rural elderly, disadvantaged and low-income minorities; promote passage of a family farm development bill in Congress; apply social justice principles to issues concerning rural people.	Direct. Groups' activities relate mainly to farm programs and how people can use them; support values of the family farm, believe in land ownership where no conglomerates hold farmland, and food production system with no corporations involved; good stewardship of natural resources; agriculture a big employer of rural people--resource base important to their well-being.
Environmental	Better environment, and the economic, social and political problems of the use of natural resources in the United States.	Direct. Environmental impact from foreign demand for agricultural commodities, water quality in streams and rivers, guarding wetlands and topsoil erosion.

Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

3) Interest Groups' Attitudes Toward Production Efficiency.

(See Table 2, Part A.)

Commodity programs were unanimously seen to be beneficial to larger rather than smaller farmers; less consensus emerged on other issues in this category. Only a majority 6/ of respondents agreed that both nonfarm investors and farmers helped to push land values upwards; that there should be growth in agricultural cooperatives, especially small ones; and that farms could become so large in the future that they would gain monopoly market power and higher food prices would result.

Most controversial of the issues in this category were issues related to small farms and agricultural technology. Respondents were split two ways on whether more small farms would mean increased food costs to consumers, and whether the costs to society from even beneficial technology were too high.

(See pp. 39-52 for further elaboration upon these data.)

4) Interest Groups' Attitudes Toward the Future of Rural Areas.

(See Table 2, Part B.)

There were majority opinions about farmers exiting agriculture,

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6/ The measures used in the analysis of the data are descriptive rather than quantitative. Thus, "majority" means "more than half" of the respondents, and the two appear interchangeably throughout the text and in tables. "Splits" and "neither agree nor disagree" are similarly used to describe instances in which there were no majorities, but at least two opinions appeared more frequently than a single one did. Other descriptive terms used will, hopefully, have meanings clear to readers.



TABLE 2 - ATTITUDES OF SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS TOWARD ISSUES OF THE STRUCTURE OF U.S. AGRICULTURE

<u>ISSUE</u>	<u>AGREE</u>	<u>DISAGREE</u>	<u>NO CHOICE</u>
<u>A. Production Efficiency</u>			
<u>Commodity</u> price support <u>programs</u> have benefitted larger farmers who produce in volume, rather than small farmers.	Unanimous		
<u>Nonfarm</u> interests, investing as a hedge against inflation, cause <u>farmland</u> prices to increase.	Majority		
<u>Farmers</u> , seeking to expand their operations and hedge against inflation, cause <u>farmland</u> prices to increase.	Majority		
Growth in individual agricultural <u>cooperatives</u> is needed to counteract the market power of other food sector firms.	Majority		
Farms will become so large in the future that they will have <u>monopoly</u> <u>market</u> <u>power</u> and higher food prices will result.	Majority		
<u>Small</u> <u>farms</u> will mean increased <u>food</u> <u>costs</u> for consumers.	-----Two-way split-----		
The costs to society from <u>agricultural</u> <u>technology</u> , even beneficial technology, are too high.	-----Two-way split-----		
<u>B. Future of Rural Areas</u>			
<u>Farmers</u> leave <u>agriculture</u> to improve their economic or social situation.	Majority		
<u>Small</u> <u>farms</u> are decreasing in number, <u>middle-sized</u> <u>farms</u> are disappearing, and <u>large</u> <u>farms</u> are getting larger and more numerous.	Majority		
<u>Energy</u> <u>costs</u> will rise so high that farmers will have trouble buying petroleum-based products and go out of business.		Majority	
<u>Rural</u> <u>communities</u> can only be maintained in the future if part-time farming is combined with <u>nonfarm</u> <u>employment</u> .	-----Three-way split-----		
The economic prosperity of the West will be greater if we limit <u>strip</u> <u>mining</u> and preserve <u>agriculture</u> there.	-----Three-way split-----		
<u>Water</u> formerly used for agriculture should be used for urban development and energy production in arid areas of the United States.	-----Three-way split-----		

<u>ISSUE</u>	<u>AGREE</u>	<u>DISAGREE</u>	<u>NO CHOICE</u>
<u>C. Broader Social Concerns</u>			
<u>Farmers</u> should <u>comply</u> with pollution and OSHA <u>regulations</u> and be careful in applying pesticides, even if it means higher food costs.	Unanimous		
<u>Inflation</u> hurts farmers by increasing their costs, but helps them by increasing the value of their assets.	Majority		
<u>Agricultural land</u> should be <u>protected</u> from inflated land prices and urban sprawl.	Majority		
An <u>alternative agriculture</u> in the United States, more concerned with organic methods of production, might be beneficial for people and the environment in the long run.	Majority		
Farmers should <u>export</u> as much of their products as they can, even if it means higher U.S. food prices.	Majority		
<u>D. Values, Beliefs and Heritage of American Farming</u>			
Anyone who wants to <u>own land</u> and <u>farm</u> should be able to do so, because these are long-held <u>democratic ideals</u> in the United States.	Majority		
U.S. agriculture should be operated to insure that supplies will be available to meet <u>food aid</u> needs overseas, even if it means more inflation in some years.	Majority		
<u>Owners of agricultural land</u> , farmers or nonfarmers, should be able to <u>use it as they please</u> .		Majority	
It does not matter how <u>farming is organized</u> , as long as consumers have <u>cheap food</u> .		Majority	
<u>Nonfamily corporations</u> should be permitted to farm.	-----Two-way split-----		
The <u>moral strength</u> of the country would be greater with a larger number of <u>small farms</u> .	-----Two-way split-----		

phenomena relating to small, medium and large farms, and energy costs for farmers. Almost all respondents agreed that farmers left farming to improve their economic or social situation--the majority felt for economic, but not always social, reasons; and a similar majority agreed that "small farms were decreasing in number, medium-sized farms were disappearing, and large farms were increasing in number and getting larger in size." Most felt that small and medium-sized farms were being threatened from many sides, by many forces. The majority of spokespersons disagreed that farmers would be forced out of business because of higher energy costs.

Other issues did not draw majority responses; three-way splits resulted with respect to nonfarm employment, energy development, and water use. There was equal agreement, disagreement and "neither" response to the proposition that rural areas could only be maintained in the future if part-time farming were combined with nonfarm employment. Responses were similarly split on whether strip mining in the western part of the United States would bring more prosperity to the region than maintaining agriculture there, and whether water formerly used for agriculture in the West should be diverted for energy production and urban development.

(See pp. 52-66 for further elaboration upon these data.)



5) Interest Groups' Attitudes Toward Broader Social Concerns Related to Agriculture. (See Table 2, Part C.)

Respondents were unanimous that farmers should comply with pollution and OSHA regulations and be careful in using pesticides. Majority opinions emerged with respect to the issues of inflation, the protection of agricultural land, alternative agriculture, and farm exports.

Inflation was seen by the majority to both help and hurt farmers, and the majority also agreed that agricultural land should somehow be protected from inflated prices and urban sprawl. More than half also agreed both that some return to alternative organic agricultural methods was needed and that farmers should export all they could even if food prices went up--only if the exports are not subsidized.

(See pp. 66-76 for a further elaboration upon these data.

6) Interest Groups' Attitudes Toward the Values, Beliefs and Heritage of American Farming. (See Table 2, Part D.)

The majority of respondents agreed that anyone who wants to own land and farm should be able to do so, although whether to assist entry into farming was controversial; and they also agreed that the United States should continue to provide food aid to developing nations, even if it meant more inflation in some years. In addition, the majority felt that agricultural

land should not be used as the owner wishes, but its use should be for the common good; and that it did matter how farming was organized: cheap food was not the only goal of the organization of farming.

Controversial issues in this section pertained to nonfamily corporations in farming and the relationship between small farms and the moral strength of the nation. Respondents were split two ways between "agree" and "disagree" on whether to permit nonfamily corporations to farm, though most desired some restrictions on their activities; and also split similarly in response to the question of whether the moral strength of the country would be improved with a greater number of small farms.

(See pp. 76-88 for further elaboration upon these data.)

7) Interest Groups' Attitudes Toward Small Farms. (See Table 3.)

There was no consensus on a definition of a small farm, so these reflections on influences must be appropriately tempered. But, respondents felt that rural development and nonfarm employment opportunities helped small farms in the past; while commodity programs, agricultural research and education, suburban development, and income and estate taxes were seen as negative influences. Having mixed impact, in the groups' views, were: expanded exports, demand from food stamp and

TABLE 3 - THE ATTITUDES OF SELECTED NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS TOWARD INFLUENCES UPON SMALL FARMS IN THE PAST 1/

<u>INFLUENCE</u>	<u>HELPED SMALL FARMS</u>	<u>HURT SMALL FARMS</u>	<u>NEITHER</u>
Rural development (industry, housing, transportation, health care)	Majority		
Nonfarm employment	Majority		
Commodity programs		Majority	
Agricultural research & education		Majority	
Suburban development		Majority	
Estate taxes			Majority
Availability of credit to buy or expand farms	-----Two-way split-----		
Income taxes	-----Two-way split-----		
Demand created by food stamp & food distribution programs	--Split--		--Split--
Expansion of U.S. agricultural exports	-----Three-way split-----		

1/ These impressions relate to "small farms" as each individual participant defined the term. There was no definition that appeared consistently in all responses. Each interviewee had a somewhat different definition.

Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.



food distribution programs, and the availability of credit.

(See pp. 88-96 for further elaboration upon these data.)

8) Interest Groups' Preferences 7/ in Selected Agricultural Tradeoff Issues. (See Table 4.)

The groups preferred:

- a) an owner-operator farm arrangement rather than any other form of tenancy,
- b) to pay higher prices for better quality food rather than have more pesticides in the environment, and
- c) to pay higher prices for higher quality food rather than have more chemical residues in the food.

More controversial were other tradeoff issues. Opinion favoring a capital-intensive or a labor-intensive agriculture, each with limited inputs of the other factor, was evenly divided between the two choices. In two other issues, respondents predominantly refused to choose. They would not indicate preferences between governmental control of individual freedom for a desirable farm structure and an undesirable structure with free decision-making by individuals. Nor would the respondents indicate preferences between continued support for farm price and income and fewer small farms, or discontinued support and

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7/ These were the preferences, again, of the majority.

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TABLE 4 - PREFERENCES OF SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS IN SELECTED TRADEOFF ISSUES RELATED TO THE STRUCTURE OF U.S. AGRICULTURE

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Land ownership

Operators to own the land they farm	Majority
Landowners free to operate or rent their lands	-
Neither	-

Environmental Quality/Food Cost

Less pesticides in environment, higher food cost/quality	Majority
More pesticides in environment, lower food cost/quality	-
Neither	-

Food Safety/Food Cost

Less chemical residues in food, higher costs	Majority
More chemical residues in food, lower costs	-
Neither	-

Resource Mix in Agriculture

Capital-intensive agriculture, less inputs of labor	--Split--
Labor-intensive agriculture, less inputs of capital	--Split--
Neither	-

Government Intervention in Agriculture

Desirable farm structure through government controls and limitations on individual freedom	--Split--
Undesirable farm structure with freedom for individual decision-making	-
Neither	--Split--

Relation Between Price/Income Support & Small Farms

Continuation of support for farm prices/income, fewer small farms	-
Instability of farm prices/income, more small farms	-
Neither	Majority

---

Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

more small farms. The last two choices engendered many negative comments.

(See pp. 97-106 for an elaboration upon these data.)

9) General Comments from Interviewees and Messages for USDA

- a) The premises justifying commodity programs as helping small farms must be squarely reviewed.
- b) The bias in the interview of the face off between the farmer and the consumer is no longer accurate. The marketing and distribution of food are crucial components of food costs.
- c) The human equation in the farm structure discussion is a very important one; attention is not paid human beings in the United States the way they are paid attention in Europe.
- d) The importance of the structure debate in terms of spill-over for other countries is incalculable; a focus on small farmers in the United States might enable the country to focus on small farmers around the world with more understanding.
- e) The questions sprawled beyond agriculture into other areas of social policy that are not directly related to farming.
- f) USDA should be looking at the question of whether the part-time farmer actually needs help.
- g) More than one respondent stated they were glad that the Department of Agriculture was looking for different viewpoints and asking these types of questions even though there were some biases in the questions.

(See pp. 106-111 for an elaboration upon these data.)



## BODY OF REPORT

## INTRODUCTION

This research was undertaken in an effort to discover the attitude of selected, nonfarm food and agricultural interest groups toward U.S. farm structure.

There are many "nonfarm" food and agricultural interest groups which have become increasingly active and important in food and farm policymaking, particularly since the early 1970's. Such groups have also been alluded to as "urban" and "non-traditional" groups to distinguish them from general farm organizations, producer associations and agribusiness councils, whose interests are more directly connected to farm policy and economic interests. The groups interviewed during this project were sorted into consumer, environmental, world hunger and international development, religious relief, rural life and general policy research groups. Most of these groups, except perhaps for consumer groups and to some extent international development groups, have less an economic interest in food and agricultural policymaking than they have a social or political aim they would like to advance.

As for the term "farm structure," it seems to be an elusive concept; there probably exist as many definitions for the phrase as there are analysts who attempt to construct one. Some will use the term in reference to only the farm production sector; others use it more broadly to include input and distribution sub-sectors also. A very discriminating breakdown would use the term "farm structure" to refer to the input-production-output complex; and the "structure of the food and fiber system" to refer to the complete food production, food

processing and retailing system.

For the purposes of this research, "farm structure" was never defined for the interest groups, however; rather they were asked to define the term at one point. The groups were also asked to reflect on issues which pertained to farm structure in an effort to discover their interest in and attitude toward this current policy issue within the U.S. Department of Agriculture.

#### BACKGROUND TO THE PROJECT

Though long researched and debated within the economic research agency of the Department of Agriculture, the question of farm structure was brought to national attention during a speech given by Agriculture Secretary Robert Bergland to the Farmers' Union in March 1979. In that speech, he called for a national dialogue on the subject, and preparations were made within the Department to provide information for that debate--to the Congress, to the public and to all interested others.

It is the Department's hope that enough deliberations will be completed and enough opinions articulated on farm structure during late 1979 and early 1980 that findings will contribute to general farm legislation to be considered by the Congress in 1981. Several avenues for gathering public opinion on farm structure have been developed and are being implemented. Although narrower in scope than some of those efforts, this study may be regarded as a related effort to get an in-depth idea of what a small number of nonfarm food and agricultural interest groups would consider important in a dis-

cussion of farm structure. Its purpose was to assess the interest of the groups in this issue and to gather their opinions about it.

#### THEORY, RESEARCH DESIGN AND METHODOLOGY

One of the first steps in the research was to develop a classification framework for the groups to be interviewed. Initially, three dichotomies were proposed to distinguish interest groups active in the food and agricultural policymaking areas: rural-urban, traditional-non-traditional, and farm-nonfarm. Those to be interviewed in the project, then, would have been designated "urban," "non-traditional" or "nonfarm." The last was finally settled upon, and the "nonfarm" descriptor was given to the groups interviewed.

There were good reasons for rejecting the other two distinctions. While many of the interest groups newly active in food and agricultural policymaking do, in fact, have an urban base, "rural life" groups would be among those which do not. "Rural life" concerns do have a longer history, perhaps as old as farm income concerns themselves, though the latter were more clearly focused upon during the history of U.S. agricultural policymaking. Quality of rural life was believed to flow from farm income policies, and issues connected to it were not really focused upon separately until the Rural Development Act of 1972 was debated. "Rural life" concerns are much more broadly constituted and in some measure are of a different kind than farm policies. Thus, they could be adjudged as "newer" concerns, but clearly not urban ones.

A different kind of argument made the distinction of "non-tradi-



involved an exploration of the topic of farm structure.<sup>2/</sup> In particular, the literature review yielded two principal ingredients for the questionnaire. The first was a set of issues related to farm structure which had been listed as topics for papers to be written within the Economics, Statistics and Cooperatives Services of USDA. <sup>3/</sup> The second key element was a set of four categories into which Secretary Bergland had divided the discussion of farm structure: production efficiency, the future of rural America, the broader social concerns related to agriculture, and the values, beliefs and heritage of American farming. <sup>4/</sup>

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Don F. Hadwiger, "Agriculture Policy," in Theodore J. Lowi and Alan Stone, eds. Nationalizing Government: Public Policies in America. (Beverly Hills, CA: Sage Publications), 1978; and Don F. Hadwiger and William P. Browne, eds. The New Politics of Food (Lexington, MA: D.C. Heath & Co.), 1978.

<sup>2/</sup> Among the materials reviewed were: Can the Family Farm Survive? Special Rpt. No. 219, Agr. Exp. Sta., Univ. Mo., 1978; Peter Emerson, Public Policy and the Changing Structure of American Agriculture (Wash., DC: Congressional Budget Office), September 1978; J.B. Penn, "An Historical Perspective of U.S. Agricultural Policy," speech at the annual meeting of the Agriculture Council of America, New Orleans, LA, March 1979; Status of the Family Farm. Com. Print, Com. on Agr., Nutrition and Forestry, U.S. Senate: 33 pp., June 1979; U.S. Department of Agriculture. Status of the Family Farm: Second Annual Report to the Congress. Agr. Econ. Rep. No. 434, Econ., Stat. and Coop. Serv., September 1979; and U.S. General Accounting Office. Changing Character and Structure of American Agriculture: An Overview (CED-78-178), September 1978.

<sup>3/</sup> See: U.S. Department of Agriculture, "The Structure of American Agriculture: The Issue and Role of USDA," mimeo, May 1979; and U.S. Department of Agriculture, Structure Issues of American Agriculture. Agr. Econ. Rep., Econ., Stat. and Coop. Serv., (forthcoming).

<sup>4/</sup> U.S. Department of Agriculture. "Conversation with Secretary of Agriculture Robert Bergland on the Structure of Agriculture," News, USDA-1448-79, June 1979. This interview was an elaboration upon the idea of a national dialogue on farm structure for which the Secretary had earlier called. See, Secretary Robert Bergland, "Speech to the National Farmers' Union Convention," Kansas City, Missouri, March 1979.

tional" categorization less useful in this research. General farm organizations have roots reaching back into the last century, and might justifiably be called "traditional" food and agricultural policy actors. Less traditional food and agricultural actors would include agricultural trade associations and agribusiness councils as well as consumer, environmental, world hunger and similar groups. Thus, using "non-traditional" to categorize the interest groups studied in this project would also have been inaccurate. As a result, the groups studied were labeled "nonfarm."

The research design for the project included (1) literature review; (2) questionnaire formulation and testing; (3) selection of interest groups; (4) data collection (through interviews); (5) data report and discussion; and (6) determining limitations of the study, listing conclusions and suggesting recommendations for future research.

In addition to providing information about the formulation and purposes of "interest groups" in general and new food and agricultural interest groups in particular 1/, the literature review also

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1/ General information about interest groups was obtained from Luther Harmon Ziegler and G. Wayne Peak, Interest Groups in American Society. (Englewood Cliffs: Prentice-Hall), 1972; and Kenneth J. Meier and Alan O. Weise, "Agricultural Interest Groups: Impact on Public Policy." Paper presented at the Fourth Annual Hendricks Public Policy Symposium at the University of Nebraska, Lincoln, Nebraska, April 1979. For information more specifically related to food and agricultural interest groups, see R.G.F. Spitze, "Agricultural and Food Policy Issues and the Public Decision-Making Environment," Agricultural and Food Price and Income Policy: Alternative Directions for the United States and Implications for Research. Special Publ. No. 43, Agr. Exp. Sta., Univ. Ill., 1976; James Johnson, "The Farm Policy Decision Process--USDA and the Executive Branch," speech presented to the North Central Farm Management Extension Workshop, Manhattan, Kansas, May 15-17;

The substantive portion of the questionnaire was eventually shaped around the issue topics placed into these categories. Other portions of the questionnaire were designed to gather information about the interest groups' organization and activities. The questionnaire was revised several times and pre-tested.

Interest groups finally interviewed were selected from a master list of nonfarm food and agricultural interest groups. 5/ Desired was a mix of consumer, world hunger, rural life, environmental, religious relief, nutrition and general food policy research groups. Selection was based upon reputation for involvement in food and agricultural policymaking and upon diversity of perspective. The total time elapsed from first written correspondence to personal interview with the last interest group representative was seven weeks.

#### DATA REPORT AND DISCUSSION

The first section of this part will report the characteristics of the organizations themselves. It will also include their perceptions of farm policies in relation to their principal organizational concerns.

The second section will describe the interest groups' definitions of farm structure and their attitudes toward issues relating to it.

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5/ Several sources were used to compile this master list: Nick Kotz, Hunger in America: The Federal Response (New York: The Field Foundation), April 1979; Patricia L. Kutzner and Timothy X. Sullivan, Who's Involved With Hunger: An Organization Guide (Washington, DC: American Freedom from Hunger Foundation and World Hunger Education Service), 1976; Frances Moore Lappe and Joseph Collins, Food First: Beyond the Myth of Scarcity (Boston: Houghton-Mifflin), 1977; and Catherine Lerza and Michael Jacobson, eds. Food for People, Not for Profit (New York: Ballantine Books), 1975.



The third section will describe the groups' definitions of "small farms" and their attitudes toward how certain historical phenomena have impacted upon those small farms.

The fourth section will report the organizations' preferences when faced with choices concerning various food and agricultural issues.

And the final section will report the organizations' plans to work on farm structure issues during 1980, as well as additional comments that interviewees made about farm structure or the interview.

In each section, the actual responses of the participants will first be reported; those who agreed or disagreed with propositions will be noted, as will those who did not choose either way. Their elaborations upon the issues stimulated by the questions will also be reported. A brief discussion of the findings will conclude each of the sections.



### Characteristics of the Organizations

In all, fewer than fifteen organizations' representatives were interviewed. Those interviewed were usually in a leadership position; they included directors of the organizations or divisions of the organizations, and also included research fellows, research associates, consultants and analysts. Perhaps more of those interviewed were registered lobbyists, but only one interviewee so stated. Some interviewees mentioned that their groups were "public interest" groups.

The organizations were selected by reputation to include consumer, rural life, world hunger, religious and charitable relief, environmental, and general food policy research groups. When asked, most respondents classified their groups as they had been classified by the researcher with two exceptions. One group classified as "rural life" was classified by its representative as a "agricultural" group, and one group thought to be more of a general food policy research group was declared an "international/world hunger" group. Additionally, one respondent categorized his organization as both "consumer" and "nutrition." This was the sole representative of those two categories.

Much of the literature describing the emergence of nonfarm groups into the food and agricultural policymaking arena in the early 1970's seems to imply that the groups were not entities before that period. However, in the small sample taken for this project, most of the groups existed prior to the "food crisis" years, a few dating back to the 1920's. For these groups, food and agricultural policymaking may have been a new interest, rather than a rationale for existence. It should be

noted, though, that a few of the groups interviewed did come into existence during the mid-1970's, possibly prompted by the events of the preceding years.

The groups were evenly divided among 1) those which were non-membership, 2) those which were non-membership, but which had mailing lists of nearly 10,000 persons, 3) those which had members numbering in the thousands, and 4) those which had members in the tens of thousands. One religious group claimed to represent the memberships of its affiliated congregations: some 200,000 persons.

Most of the groups had professional staffs of between twenty and fifty persons. The absolute range was from two persons, who did all the managerial, research and office work, to over 800 persons, which included 700 overseas development personnel. Almost all the organizations indicated they also had support staffs. Staff activities mentioned by respondents were several: research, training, writing, reporting, advocacy, overseas development efforts (including agricultural, economic, health and educational), housing specialists, management, publications, policy analysis, membership maintenance and church relations. When asked which of three activities (lobbying, research or education) their staffs spent most of their time on, more than half of the respondents said that they had only a single focus: primarily research or education. Other respondents' groups were involved in some two or three way combination of those activities. Two of the groups' spokespersons noted that they were ineligible to lobby because of their Internal Revenue Code status as 503 (c) corporations.

A glance at Table 5 will reveal the sources of information used by the interest groups in their work. Not all groups' spokespersons mentioned every source, but most mentioned more than five of these.

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Table 5    INFORMATION SOURCES MENTIONED BY SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS, IN ORDER OF SPECIFICITY 1/

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Every conceivable source  
Anywhere  
Different places  
Poking around Washington, D. C.  
Public record  
Personal experiences of selves or others  
Education in agricultural issues  
Overseas researchers or church representatives

Self-generated research  
Libraries  
Academic literature and scholars  
Agricultural bulletins  
Food newsletters  
Research institute studies  
Government statistics and reports  
Corporation reports  
Economic sources of business and government

Congressional offices  
Congressional hearings  
Library of Congress  
U.S. Department of Interior  
U.S. Department of Agriculture  
U.N. Food and Agricultural Organization

Congressional Record  
Congressional Quarterly  
Federal Register

Holy Spirit

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1/ All groups did not necessarily mention all sources listed in this table.

Responses to a question about their linkages to other organizations revealed that several groups did in fact have such contact, connections, and interaction. Some groups were most closely linked to other groups with similar interests, for example, other international research institutes, other environmental groups, other religious groups, other consumer groups (both national and state-based), or other international/world hunger groups. Two group representatives said that organizations as well as individuals could be members of their "umbrella" organizations. Thus through such memberships, the umbrella group was linked to others. Such member organizations included consumer, nutrition, policy analyst, food stamp, and public interest research groups, and food cooperatives. One interviewee said that his organization sponsored conferences at which many of these other groups would appear to present papers. Another said that on any given topic, their organization would attempt to rally as many other groups as possible from the "food movement." This coalition model was also popular with a few other groups. And many of the groups said that while they may not have had formal ties to other organizations, they had "many informal linkages." When asked whether such linkages were for lobbying, research or education, more than half responded that they were either for some research or for a combination of all three activities. Most of the groups had the linkages for the same activities they noted as their primary staff activities.



All groups' spokespersons indicated that they saw farm policies as related, whether directly or indirectly, to their organization's principal concern. Table 6 shows the category of groups interviewed, the principal concerns articulated by each category of interest group, and the relationships perceived by the spokespersons between that concern and farm policy.

#### Characteristics of the Organizations: Discussion

Because the sample was drawn from a population of interest groups with some reputation for activity in food and agricultural policymaking, it should not be surprising that they saw farm policies as related to their concerns. What may be of interest is the explanations of why they relate. These in conjunction with responses to other questions in this first section give some picture of the nonfarm food and agricultural interest groups.

Most have been active around policymaking for some time. Their interests in food and agriculture may be relatively recent, but they are not newcomers to policymaking circles or political life in Washington, D.C. They have professional staffs, which means they have committed at least some organizational resources to a somewhat circumspect look at food and agricultural policies of the United States. They research issues and educate either their members or those on their mailing lists, and in some cases they lobby Congress or the Executive agencies. They are linked primarily for research to other interest groups similar to themselves, although more often informally

TABLE 6 - PRINCIPAL CONCERNS ARTICULATED BY SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS, AND THEIR PERCEPTION OF THE RELATIONSHIP BETWEEN FARM POLICY AND THOSE CONCERNS.

<u>CATEGORY OF GROUP</u>	<u>PRINCIPAL CONCERNS</u>	<u>RELATION OF FARM POLICY TO CONCERNS</u>
General policy research	Quality and consistency of U.S. public policies; world peace; human rights; world hunger and domestic farm structure; changing society for improvement of life for people.	Direct. Agriculture as important part of the U.S. budget; people's well-being dependent upon food supply; saw value in people controlling their own lives through social institutions upon which federal policies have impact.
World hunger/ International Development	Pursue policies to reduce malnutrition in developing countries, third world development, eliminating world hunger.	Direct. Policies affect U.S. food production and reliability as a source; U.S. agricultural trade policy relates.  Indirect. Food aid, agricultural trade policies, domestic policies have an international impact.
Consumer/Nutrition	National food policy of safe, nutritious, affordable food supply for all Americans.	Direct. Maintenance of food programs is necessary, although the 1977 farm bill did not mention as a goal an adequate diet for hungry Americans.
Religious relief	Human rights, poverty, third world development, international economic justice, arms race and weapons' transfers.	Indirect. International focus of group, yet saw policies related because of the policy of farming as big business and corporate involvement in it, both in the United States and overseas.
Rural life	Meeting needs of the rural elderly, disadvantaged and low-income minorities; promote passage of a family farm development bill in Congress; apply social justice principles to issues concerning rural people.	Direct. Groups' activities relate mainly to farm programs and how people can use them; support values of the family farm, believe in land ownership where no conglomerates hold farmland, and food production system with no corporations involved; good stewardship of natural resources; agriculture a big employer of rural people--resource base important to their well-being.
Environmental	Better environment, and the economic, social and political problems of the use of natural resources in the United States.	Direct. Environmental impact from foreign demand for agricultural commodities, water quality in streams and rivers, guarding wetlands and topsoil erosion.

Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

than formally. All of this would seem to signal an intent to continue participating in food and agricultural policymaking. In all likelihood, their own concerns will continue to take precedence, but as they interact informally with other nonfarm interest groups on these issues, their range of both expertise and influence is likely to grow.

All projections for the future would not seem to indicate that consumer food prices will decline, nor that the environment will suddenly clean itself up, nor that hungry people all over the world will soon be fed. These and other nonfarm food and agricultural causes will continue to surface and have their advocates. Whether groups with such socio-political aims will continue to have financial and other resources to express their interests is, of course, open to question. But, that the groups are concerned, informed, committed and probably tenacious, should not be in doubt.

#### Organizational Perceptions of Farm Structure

As noted earlier, a definition of farm structure was never outlined for the interviewees during the interview. Rather, they were asked what their organizations might understand by the words, "structure of the farming sector."

Only a few respondents limited their definitions to the farming sector. The majority included at least one other of the input or output sub-sectors; some included both sectors. Even where a couple of responses were vague or general, they, too, seemed to include more than the farm production sector. In one definition, the spokesperson



noted that it meant the "distribution of economic and political power over the range of people involved," and the "associated impacts of those on people and communities." A more general definition had three principal parts. The spokesperson said that "structure" could refer to (1) the place of agriculture in the total U.S. economy; (2) the relationships between assets and incomes in agriculture, for example, among the more impoverished compared to the well-to-do; and (3) the physical structure of agriculture itself, including consolidation, off-farm employment, the amount of subsidies paid to farmers today, and the incomes from farming and land use.

These definitions cover the main points noted by most respondents. Other included in their definitions factors that influenced farm structure: land ownership and tenancy, debt burden, control of markets, distribution of production among regions/states, farm size, price supports, monocultural agriculture, research and tax policies favorable to larger farms, consolidation, asset ownership, cannery workers, truckers, grocery stores, nutrition, dislocation of people, agribusiness, imports, exports, broader issues like energy, relationships between the farm community and the government, and between farmers and consumers. Perhaps some of the most incisive views of farm structure were these: "structural questions are those that involve looking beyond averages;" and "we have a military-industrial complex" in this country, "and an agricultural-industrial complex, too, I believe;" and, farm structure "...ties into the whole structure of advanced capitalism. Food is a subsystem of the whole...and the basic drive



for the maximization of profits undermines the food system, the environment, and causes serious social costs in the dislocation of human beings."

When next asked whether they would respond from personal or organizational perspectives on farm structure, respondents split three ways. Those who said they would respond from their personal perspective generally did so because their organizations were so constituted that it was not organizational policy to have any positions on public issues. This was particularly true of the general food policy research institutions, where only individual scholars took positions on issues. The second group decided to respond organizationally and distinguish for the interviewer when they answered otherwise. And the last group claimed that their organizational and personal perspectives were pretty much the same.

#### Organizational Perspectives on Farm Structure: Discussion

The nonfarm food and agricultural interest groups were deliberately asked an open-ended question about their understanding of "farm structure." Factors influencing or determining farm structure can be quite numerous and diverse, depending upon the analyst describing the phenomenon. What was important in asking the question was not so much to settle the debate as it was to get some sense of the perceptions of those not intimately involved in it. In addition to simple information-gathering, then, the idea was to perhaps get a different slant on the factors influencing farm structure.

The fact that more than half included input and/or output sub-sectors in their definitions should be an indication that even if those two cannot be used as "measures" (like farm number and size) of "structure," they must be taken into account in any broader view of what influences farm structure. Nonfarm interest groups reflect here very integrated thinking about impacts upon farming.

As for the question about the stance from which they stated their perception of the meaning of "farm structure," what is interesting is that more than half of the respondents had either grappled within their organizations with issues related to farm structure and intended to reflect that evolved view, or they felt their own view was sufficiently integrated with the organization's that both would be the same. Whether naive or sophisticated, such integration of professional opinion and personal belief is commendable. It would seem to be a rather critical ingredient in commitment to the interest group's goals--commitment which is an essential in political activity.

#### Production Efficiency

Attitudes of nonfarm food and agricultural interest groups toward the following issues are reported in this section: commodity price support programs, rising land values, agricultural cooperatives, farms and monopoly market power, economies of size and food costs, and agricultural technology. Table 7 summarizes those attitudes of the groups.

Table 7 ATTITUDES OF SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS TOWARD ISSUES OF THE STRUCTURE OF U.S. AGRICULTURE

ISSUE	AGREE	DISAGREE	NO CHOICE
<u>A. Production Efficiency</u>			
<u>Commodity price support programs</u> have benefitted larger farmers who produce in volume, rather than small farmers.	Unanimous		
<u>Nonfarm interests</u> , investing as a hedge against inflation, cause <u>farmland prices</u> to increase.	Majority		
<u>Farmers</u> , seeking to expand their operations and hedge against inflation, cause <u>farmland prices</u> to increase.	Majority		
Growth in individual agricultural <u>cooperatives</u> is needed to counteract the market power of other food sector firms.	Majority		
Farms will become so large in the future that they will have <u>monopoly market power</u> and higher food prices will result.	Majority		
<u>Small farms</u> will mean increased <u>food costs</u> for consumers.	-----Two-way split-----		
The costs to society from <u>agricultural technology</u> , even <u>beneficial technology</u> , are too high.	-----Two-way split-----		

Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

Commodity Programs. While commodity programs in this country may have originally been conceived to create an equitable income relationship between the farming/ranching sector and the industrialized sectors of the economic community, it has become increasingly clear that the programs have disparately influenced the incomes within the farming/ranching sector itself, most particularly between large and small producers. 6/

6/ See, for example, Status of the Family Farm, June 1979, pp. 31-32; U.S. Department of Agriculture, Economics, Statistics and Cooperatives Service, Status of the Family Farm: Second Annual Report to the Congress, p. 34; and Luther Tweeten, "Structural Characteristics of the U.S. Farm Sector," mimeo, 1978, pp. 116-117.

This phenomenon has not been lost on the nonfarm food and agricultural interest groups. They unanimously agreed, and more than half strongly agreed that commodity programs benefitted larger, "volume" farm producers. One noted that John Schnittker had gotten into trouble during his tenure at USDA by suggesting that the programs were for commercial farmers and different ways would have to be found to assist small farms. Another echoed this idea. She noted that by and large, commodity programs, except for perhaps tobacco and peanuts, did not benefit small producers of commodities like vegetables, some dairy products, livestock, chickens and pigs. Several respondents noted that commodity programs did benefit small farmers, although disproportionately. One explained that if a producer produces double what another does and if the price support mechanism increases the value of wheat over the price in the market, both will benefit. Two other respondents provided interesting insights. One said that he had participated in a 2-county study in Pennsylvania in which food stamp payments and crop deficiency payments were studied to see who got the benefits. The largest landholders got more in deficiency payments proportionally than those more in need of food stamps. Another interviewee reflected on the political phenomena involved, looking at it from the standpoint of the federal government. He noted that the government was actually an unwilling participant in these programs, and that the question of how much they should drain the federal treasury usually resulted in payments to just keep farmers above the water line. In his view, during the battle of the Office of



Management and Budget (OMB), Capitol Hill and farmers, political power would rest with the largest farmers, and any concessions made them would inevitably fall short of what smaller producers would need to flourish, although the smaller might well survive at the lower payment levels.

Rising Land Values. Respondents were asked whether they would attribute the phenomenon of rising land values to nonfarm interests who invested as a hedge against inflation or to farmers who bought additional land both to hedge and to expand. One respondent made a helpful distinction by suggesting that there was a difference between the ways land was being viewed, in the first case as an investment commodity and in the second as a productive resource.

A healthy majority of respondents agreed that nonfarm investors helped to push up land values. Those who disagreed did so because they did not feel those individuals to be the main cause of the increases. A much slimmer majority agreed that farmers caused increased land values; almost as many disagreed or were neutral. Respondents noted that farmers were not, although certainly some were, usually investing as a hedge against inflation. They felt that for farmers, expansion may mean economic survival, since farmers may want improved economies of scale in relation to land they already have; also, since governmental policies subsidize size, they would be interested in expanding. These respondents also noted that many farmers and others interested in agricultural production may feel that the world is in for a long period of scarcity, and producers

of agricultural commodities may see real increases in prices for such, much as occurred in 1973 and 1974.

Many respondents saw factors instead of actors (nonfarm investors and farmers) as additional causes of the increases in land values. Among the most frequently mentioned factors were the nature of inflation, the way farm support policies and programs operated, and the development climate in this country which prohibits the proper protection of farm land and encourages its being taken for cities and suburbs. Among the less frequently mentioned factors were farm monoculture, rearranged markets, easy credit, new agricultural technologies (that enable the farming of larger areas), export sales, tax policies, corporate involvement in agriculture, foreign investors, large banks and just plain speculators.

Agricultural Cooperatives. The Capper-Volstead legislation passed in 1922 created, sanctioned and provided for the maintenance of agricultural cooperatives. Seen as a way to provide independent agricultural producers with some measure of market leverage, they were originally organized as purchasing or marketing enterprises. Some have grown vastly in size since 1922; among the largest of these are familiar household names like Welch's, Land O'Lakes, Diamond (walnuts) and Sunkist. The market power of such cooperatives cannot be disputed. The question asked of interviewees was whether more such cooperatives should be formed to counteract the market power of other industrialized food firms.

More than half the respondents indicated that they thought growth in agricultural cooperatives was necessary. Some qualified their remarks by saying that more small cooperatives should be assisted. They saw needs for more low-income producer and consumer cooperatives, and thought such would be a form of "grassroots countervailing power." One spokesperson who agreed noted that "individual" cooperatives were not the only thing that was needed--networks of cooperatives were also necessary. Some realized that such efforts would take greater political organizational skills than most small farmers had shown in the past. One respondent who disagreed felt that more cooperatives were not the way to build market power; price supports, acreage limitations and subsidized exports provided more desirable market influences. Others felt that while production cooperatives might not have much market power, processing cooperatives for some commodities might well improve the competitiveness of subsectors like livestock, fruits and vegetables. The few respondents who neither specifically agreed nor disagreed commented that more small cooperatives would be desirable; that USDA should focus on assisting small ones since large ones would take care of themselves; an office should be established to better monitor the general behavior of cooperatives since they were exempt from anti-trust regulation; and more producer cooperatives might be needed to provide one possible entry into farming for young people and farmworkers. Lastly, one respondent noted, "...if you mean should Land O'Lakes be allowed to get larger, I say, 'no'."

Farms and Monopoly Market Power. Any discussion of "monopoly" in the United States brings to the fore many truths and many myths about the nature of the American "free enterprise" economy. It is a highly sensitive issue, one particularly sensitive when raised in conjunction with a discussion of American agriculture which is cited as the classic example in traditional micro-economic theory of "pure competition." The next question posed related to the possibility of farms growing to the point of having monopoly market power, from which higher food prices would result. More than half the respondents agreed that such an arrangement had already or could potentially occur; several disagreed.

Some noted that if present trends continued, farms would eventually have monopoly market power and food prices would increase. Others said that it was possible but not necessary for that to occur. A few said that it would not be farms by themselves, but rather it would be farms vertically integrated by ownership or by contract. As more farms become businesses, there would be a tendency to guarantee certain returns to equity, to guarantee certain profit levels.

Those who disagreed with the proposition did so for at least one of the same reasons. That reason was that farms by themselves would not be likely to possess such monopoly power outside contracting or organizational affiliations, although large corporate farms might be able to do it. This respondent, however, was skeptical that such a situation would be politically acceptable. Others who



disagreed noted that there would be no way that five, ten or fifteen farms could wield such market power, let alone the hundreds of wheat producers. He felt they would not cooperate with each other to that great an extent. One thought that all the consolidation for the purposes of obtaining economies of scale had already occurred and would not occur further. He did not object to such a large, potentially monopolistic farm, but did not think the government had any business subsidizing such a farm. One spokesperson found the question irrelevant, stating that food prices bore little relation to farm prices anymore; there was already significant monopoly control in the processing and retailing of food. Citing a recent FTC report, this individual said that agency had found a \$15 billion overcharge to American consumers for food. This averaged out to \$55 per person in the United States. The respondent pointed out that this might not be a great hardship for the affluent, but for those on \$6500 per year incomes that amount could be better spent elsewhere.

Economies of Farm Size and Food Costs. The answers to the question about small farms causing increased food prices for consumers were equally split between "agree" and "disagree"; additionally, a few respondents neither agreed nor disagreed, but they did comment. Those who agreed noted that it depended on the definition of "small" --how small the farms would be. A few of these tried to define small: less than \$10,000 annual income, beyond an optimum level noted in a 1973 USDA study 7/, below \$500,000 - \$1 million in net worth.

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7/ Warren R. Bailey, The One-Man Farm. ERS-519, U.S. Department of Agriculture, Economic Research Service, August 1973.

Those who disagreed with the proposition that small farms would increase food prices did it for different reasons than citing annual incomes or net worth. One respondent complained that there was really no good research on "economies of scale." In her opinion, previous and current research had failed to include such things as subsidies to larger farms; the kinds of research, extension, and credit made available; the social costs of the dislocation of farm labor; and the welfare costs of putting such dislocated persons onto public assistance in urban areas. There were several other ideas from those who disagreed. Some noted that because small farms had been shown in some studies to be more productive, food should thereby be less expensive for consumers. Elaborating on this idea, respondents mentioned that a rearrangement of marketing structures was needed to change the fact that only 6-15 percent of the cost of food was related to farmers. One interviewee had participated in a direct marketing project in which the result was a 30 percent decrease in the amount purchasers paid for food as compared to what they would have paid in their local retail markets.

One respondent who did not explicitly agree or disagree noted the difficulty of the question, and responded that in the short run it might be true that food prices would go up with smaller farms, but for different reasons. Rather than to increase profit margins, consumers would be paying for things like soil conservation. This respondent also believed that though the short run might include

increased prices, in the long run food prices would be more stable, there would be no land speculation, and less monopoly control on food markets than currently. Another respondent noted that supply dictated the price of commodities, and it did not matter whether the supply came from large or small farms. The highest per unit cost to consumers was from processed foods, as he saw it, and the farmers' return on that was less than the 4 cents currently returned for the wheat in a loaf of bread.

Agricultural Technology. The technology used in agricultural production has come into criticism from some sources, and so interviewees were asked whether they thought the "costs" from technology were too high. The question cited such technological "benefits" as improved seed strains, pesticides that increase yields and larger machinery, in order to stimulate balanced responses. As many agreed as disagreed that the costs, even from the supposed beneficial technology, were too high. A few did not choose either of those responses, but commented.

Those who disagreed that agricultural technology was too "costly" said in essence that the economic cost was not too high, that the economic efficiency gained from technology was important and necessary. One noted that the cost of not having such technology could be even more serious. Yet most of these recognized that some other costs, particularly environmental costs, of the use of technology could be significant in the future. Cited were such things as

pollution, soil erosion and the long-term effects of inorganic fertilizers on the soil.

Those who agreed that the costs of technology were too high clearly saw social, environmental and community costs outweighing the value to be gained from technological, economic efficiency. Within this second category of costs, some costs were viewed as intolerable in the long run. These included the dislocation of farmworkers and lack of re-training for them, compaction of the earth from heavy machinery, pesticide runoff, corporate control of some seed markets (to the extent that some varieties are illegal to use in Europe), the health cost to farmworkers exposed to pesticides and fertilizers, and technological innovations that encourage those with capital to enter and control production, marketing and processing. This group cited two questions: "who benefits?" and "what are the long term consequences?" Those who only commented, rather than agreeing or disagreeing, felt similarly--that assessments of particular costs, environmental or economic needed to be made for every technological adjustment. One recommended a micro-approach, substantially composed of separate analyses of technological impacts for different commodities and for different regions.

#### Production Efficiency: Discussion

From these responses, what can be discerned about the nonfarm food and agricultural interest groups' attitudes toward the issues of farm production and efficiency?



Every single one of the organizations saw commodity programs disproportionately benefitting larger producers. Such a thing might not be widely known in America, it may only be well known among analysts in this policy area--and among the largest farmers. Yet tax dollars being paid to those who really do not need them has never sat well with the American public, and it certainly did not sit well with the interest groups. Most felt that the government had no business subsidizing the well-to-do. Rising land values were attributed to the activities of both farm and non-farm actors, but a host of other factors were also noted--among the most frequently cited were inflation, government price support programs and the development climate in the country. Cooperatives' growth was seen as important to improved competition in the food sector by the majority of respondents. Some insisted that individual cooperatives needed to be part of larger networks, and that small and medium sized ones in particular needed government's attention and care to survive and flourish. And, on the related issue of farms having monopoly market power, most agreed that such could occur--farms could grow so large that higher food prices would result.

Respondents were neither clearly for or against small farms when it came to their impact on food prices. Yet as many believed as did not that a certain size of small farm could actually reduce food prices to consumers, particularly if marketing arrangements were reformed. The question of the cost of technology similarly

drew as much agreement as disagreement, belying, perhaps, a complete American infatuation with technological innovation. Even while lauding advances in these areas, and granting the economic efficiency of some technologies and techniques, many respondents wondered about the failure to calculate some of the social costs, like pollution, soil erosion, the long-term effects of inorganic fertilizer application, the compaction of the earth, dislocation and lack of retraining for farmworkers, the health cost to farmworkers. Many saw the need for new equations that included these lesser-studied "costs" of technological "efficiency."

If nothing else, these attitudes should lead readers of this report to realize that serious questions are being raised about the production cycle of the American agricultural system. The use of technology is questioned, government policies are viewed as responsible for increases in land value and for inequities in incomes from commodity programs, a "new" generation of cooperatives--ones not within the current purview of ESCS, USDA--is seen as desirable, the economic "fact" of economies of scale from large scale production is no longer unequivocally believed, and farms as monopoly market actors are viewed as potential threats. Surely not all such perceptions are to be dismissed.

It would seem that the nonfarm food and agricultural interest groups are advocating some changes in the current farm production picture. Different assessments of technological impacts upon the

ecological system are suggested as are more cooperatives' developments and smaller scale agriculture. With respect to every issue the role of government is challenged: technological research sponsored by government may result, synergistically, someday in a nightmare; why are commodity benefits going to those who least need them; the government should encourage small cooperatives. Not only is theirs a vision of a production system that draws back from the current large-scale emphasis, the nonfarm interest groups also single out a proper role for government in the process. If in a democracy government is supposed to work for the "common" good, it must work at least equally well for both big and small. And in the view of the interest group spokespersons, that is not the net result of food and agricultural policies related to production efficiency to date.

#### The Future of Rural Areas

Attitudes of the nonfarm food and agricultural groups toward the following issues are reported in this section: farmers' exiting from farming, farm size trends, energy costs, nonfarm employment in rural communities, energy production in western agricultural areas, and water use in the western United States. Table 8 summarizes these attitudes of the groups.

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Table 8    ATTITUDES OF SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST  
             GROUPS TOWARD ISSUES OF THE STRUCTURE OF U.S. AGRICULTURE  
             (CONTINUED)

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<u>ISSUE</u>	<u>AGREE</u>	<u>DISAGREE</u>	<u>NO CHOICE</u>
<u>B. Future of Rural Areas</u>			
<u>Farmers leave agriculture</u> to improve their economic or social situation.	Majority		
<u>Small farms</u> are decreasing in number, <u>middle-sized farms</u> are disappearing, and <u>large farms</u> are getting larger and more numerous.	Majority		
<u>Energy costs</u> will rise so high that farmers will have trouble buying petroleum-based products and go out of business.		Majority	
<u>Rural communities</u> can only be maintained in the future if part-time farming is combined with <u>nonfarm employment</u> .	-----	Three-way split	-----
The economic prosperity of the West will be greater if we limit <u>strip mining</u> and preserve <u>agriculture</u> there.	-----	Three-way split	-----
<u>Water</u> formerly used for agriculture should be used for urban development and energy production in arid areas of the United States.	-----	Three-way split	-----

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Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

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Farmers' Exiting from Farming. Continually in American history, the city attracted young people away from the farm. Young people left for college and chose never to return; both young and old left for jobs in urban industries and commerce. In addition to being lured away from farms, farmers have sometimes had to leave for financial reasons as well. Many farmers in 1979 claim they are being "forced out" for various reasons. The interest group representatives



were asked whether they thought farmers left farming to improve their economic or social situation. All but one respondent, who only commented, agreed that farmers left for economic or social reasons; it was difficult, however, to disagree with the question as phrased.

More than half the respondents agreed that farmers left farming/ranching for economic reasons. Only a couple mentioned that farmers left for both economic and social reasons. Many did note that farmers were forced by economic conditions and that they had very little choice in the matter: some went bankrupt, some were foreclosed, some decided to get out of debt by selling the farm and getting out of farming. A few respondents said that even though farmers might improve their incomes by leaving, they would not necessarily improve their social situation because they would no longer be in control of their own lives; they would no longer be independent entrepreneurs. One interviewee was skeptical that anything was improved by farmers' leaving agriculture.

The spokesperson who did not either agree or disagree noted that while there were few social advantages, there were economic advantages at times to leaving the farm. A few of the interviewees reflected on the past history of rural outmigration. One idea was that farming had suffered because great numbers of farm youth had refused to go into agriculture--at times up to 80 percent. Another interviewee griped that past handling of the departure from farms had been

poor, citing the government's failure in the 1950's to retrain farm laborers for urban jobs and orient them to urban life. He attributed to this failure the current urban problem, and maintained that it would be a sensible social and regional policy to assist present small farmers by providing nonfarm employment opportunities which would enable them to continue to live on and farm the land.

Farm Size Trends. Many respondents found this question about the trends in farm size vague because of the lack of definition of the "small," "medium" and "large" categories. The question was deliberately posed to find out how many felt that the rural areas would contain only very large farms and very small farms at some point in the future.

Almost all of the respondents agreed that "small farms were decreasing in number, middle-sized farms were disappearing and that large farms were increasing in number and getting larger." Some, however, made important qualifying statements, particularly about the medium sized farms. They felt that the phrase about medium-sized farms "exaggerated" the true picture, and felt that medium-sized farms may be decreasing in number but they were not disappearing." One agreed with the statements based on available statistics, but disagreed with the methods of counting. Some entities were counted as farms, this individual maintained, which were not farms in his view.

Those who disagreed with the statement did so primarily because they felt that the medium-sized farms were not "disappearing," though they had been hurt economically by the events of the last few years. Both of those disagreeing had views on small farms. They felt that small farms were threatened from all sources. One felt that the "welfare mentality" toward small farms kept them from being taken seriously and allowed into the mainstream of the economy, principally because they did not use fertilizers enough in a timely manner and did not produce in enough volume for jobbers.

One interviewee who did not specifically agree or disagree stated that he did not get too excited about changes in farm size. He felt that while large farms were increasing in number and in output, some very large farms backed by corporations were at times finding it very difficult to continue in agriculture because of the financial returns.

Energy Costs. In this question, spokespersons were asked whether they thought that energy costs might eventually go so high that farmers would be forced out of business.

The majority disagreed for a variety of reasons. They felt that because agriculture uses less energy than the other sectors in the economy, it would not be as hard hit as some. Marginal adjustments might have to be made and some farmers might drop out, they maintained, in which case more energy would be left for others, but they felt there were elasticities in the possible intensity of energy use, whereas, there are inelasticities in food purchasing and consumption. One felt that because people would always need to eat, at least some farmers would always make enough income to continue farming. There might be returns to rotational cropping and the production of natural, on-farm, regional fertilizers; cooperatives which are among the biggest fertilizer producers would continue and expand that role; and alternatives like methanol exist. He felt that all farmers would certainly not be forced out of business.

Those that agreed felt that while energy might not be the main factor in forcing farmers out of business, it certainly could be a major factor. One respondent suggested that the debate over farm structure may be settled by OPEC. Some who agreed spoke about possible alternative agricultural practices, less intense agricultural practices, organic farming, integrated pest management, direct marketing, and localized small farm techniques, and also felt that the federal government would have to help small farmers or else only the large ones would be able to afford energy-related products at increased prices. Another who agreed noted that this dependence on



capital-intensive practices and the supply of energy could create an alliance between the United States and third world countries which for some time have felt a cost-price squeeze in energy sources.

One spokesperson who neither agreed nor disagreed nevertheless felt that the country needed to look at its future renewable and future human resources and integrate those into the farming sector. She deplored the fact that a systematic, crop-by-crop investigation of the potential limitations of resources and substitutes for them was not being undertaken. She also felt that the development of synfuels would restrict the amount of water available for agricultural production.

Nonfarm Employment in Rural Areas. Within the U.S. Department of Agriculture there has been a debate for some years about the extent to which governmental efforts should support farm incomes. 8/ Proponents on one side of the debate argue that rural communities can only be maintained if part-time farming is combined with non-farm employment in rural areas. When asked if they agreed with this position, interviewees were split among agree, disagree and no answers.

Those who agreed that part-time farming was the only way to maintain rural communities felt so for a variety of reasons. They said it was desirable in some communities, it was reality in other

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8/ See Don Paarlberg, "Farm Price and Income Support Programs and the Future of the Family Farm," in Can the Family Farm Survive?, pp. 58-59 for some elaboration along these lines.

communities--particularly in the South--and it would be necessary to keep farm families out of long run debt situations. One respondent felt that while part-time nonfarm employment was a necessity for farmers, she also thought it a national disgrace that people were not able to choose, that the myth, perpetrated by both government and corporations, in her view, of "bigger is better" was a "stupid" policy. Two others, while agreeing, did so for opposite reasons. One stated that he felt it was desirable to keep the number of people involved in farm labor and living in rural communities low, particularly with transportation costs rising. He thought that people in rural areas should primarily be involved in nonfarm occupations. The opposite view was held by another respondent who felt that USDA should promote neither strictly full-income commodity price support programs nor strictly part-time nonfarm rural employment, but rather should promote both courses by giving more support to smaller enterprises. He did not feel it was "healthy" to move toward an institutional agriculture.

Those who disagreed with the proposition felt primarily that even small farmers could get a decent living from farming if the proper socio-political decisions were made to support that kind of idea. The respondents in this group thought that the possibility of part-time nonfarm employment would depend both on the scale of farming and the location, arguing that small-scale truck farming in Massachusetts might lend itself to such an arrangement whereas full-scale grain farming in North Dakota would not.

Those who did not specifically agree or disagree did so for a couple of reasons. One complained that there were not enough data about what made rural communities viable, and noted that the country needed new approaches to whatever it was trying to preserve in rural areas. Others in this group balked at the idea of part-time nonfarm employment as the "only" way to preserve rural communities, although for different reasons. One claimed to be concerned about rural communities but did not think the evidence was all in about the long term effects of such a part-time arrangement. Another wondered whether some rural communities should be saved at all, given that some of their residents were those with incomes from elsewhere, including retirees, outdoor recreation enthusiasts, and tourists.

Energy Production in Western Agricultural Areas. Given the present need for new energy sources and development and the existence of potential energy sources in the western part of the United States, respondents were asked whether they thought the economic prosperity of that region of the country would be greater if strip mining were limited and agriculture preserved. The answers were evenly divided among "agree", "disagree" and "no answers." All saw the problem as complex.

Those who agreed that agriculture should be preserved did allow that the sum total of returns from energy development, in this case strip mining, would be greater than the sum returns from agriculture, but they did not feel residents of the area would particularly

benefit. Among their statements were the following: coal companies would make a killing, the benefit would be not to all but to a select segment of the western population and perhaps even to some not in the western areas, and there would be no particular benefit to people not contributing to the energy product--in Appalachia the people are poor despite the great riches that are taken from the earth. One responded that an adequate projection of the needs for energy, water and agriculture had to be made, after which a proper mix had to be decided upon in order to preserve the fragile environment of the West in the long run.

The majority of those who disagreed that agriculture would be more prosperous than strip mining felt that coal production was more important than agriculture. In dollar value alone, they estimated that energy production would be more valuable. Some noted that there would be certain environmental costs, but then the rational thing to do would be to require better environmental practices, such as stockpiling topsoil, strip mining and then returning the soil. One interviewee noted that it depended on the definition of "West." If the "West" were Wyoming, energy production would be more prosperous; if, however, "West" meant Indiana and Illinois, agriculture was far more important there. Though he felt that strip mining would be more prosperous, another spokesperson felt at the same time that it would be frivolous to use water to carry coal powder through the Dakotas. Lastly, one interviewee commented from the standpoint of farmers who



might own such resource-rich land. He felt that they would be the last to want restraints and would want to be able to sell land if it were more valuable for coal production.

Those who did not give a specific answer did not like the trade-off involved. They did not see agriculture as the stronger economic base, particularly as the energy resource-rich areas are usually cattle-grazing and ranching areas. One among this group, too, noted, as did those who agreed, that it would likely be different persons earning the income from mining and that farmers would not necessarily be better off.

Water Use in the Western United States. Perhaps a dispute in the western United States greater than the dispute about strip mining and agriculture is the larger question of the choice about water use. Should it continue to be used for agriculture? Or should it be diverted to energy production and to urban development? When asked that question, respondents again split three ways among agreeing, disagreeing and not answering.

Those who agreed that water should be diverted from agriculture reasoned primarily from an economic standpoint: that the allocation of resources should respond to price incentives--if the energy price were higher than the agricultural price, water should be diverted to energy production. They saw the adjustment period for farmers as painful, and thought the government should provide them some assistance during the process. One noted that even the staff members at

Arizona State University knew that cities were buying agricultural water wells for urban use, and were quiet about it, believing that people came first.

One of those who disagreed with the idea of diversion schemes felt that those with water rights, particularly Indians and farmers, might be getting "ripped off" again by powerful coal-mining interests which might force the hands of state legislators. Others felt that energy production and urban development advocates should not have open-ended access to water use, and that current water supplies would need to be efficiently used before any new supplies were tapped. One respondent felt that there was no need for large, centralized energy systems. The same mentality that advocates nuclear power would advocate such diversion schemes, she felt, and she would rather see smaller-scale energy modes for homes and farms.

Those who neither agreed nor disagreed commented in various ways. A few who valued both quality and quantity of water did not want to set priorities, but said it made no sense to them to build cities in deserts. They would be uncomfortable using water resources for "wild and affluent" lifestyles; lawns and gardens in Phoenix were seen as a waste of resources. Others in this group felt that the kind of urban development pursued might persuade them to agree that at least some water could be diverted from agriculture to urban development. One spokesperson felt particularly that doing away with irrigation in California would be too disruptive to the food sector. Another stated flatly that ours was a food surplus and an energy-deficit

nation, and it made more sense to produce that in which the country was deficit rather than produce more of what was already abundant: food.

#### Future of Rural Areas: Discussion

So what portrait of the future of rural America might be gleaned from these perceptions of the nonfarm food and agricultural interest groups?

Most respondents noted that farmers were still leaving farming for principally economic reasons; some noted that farmers disliked leaving the social institutions connected to farming and rural life. Whether providing part-time nonfarm employment opportunities as the way to maintain rural communities was controversial. The third that agreed it might be the best way did so for a variety of reasons, but the third that disagreed felt primarily that proper socio-political decisions could allow all farmers to make a decent living from farming alone. Lamented was the fact that so little research had been done by USDA as to what made rural communities viable. Respondents felt that political decisions had often thwarted such research.

Energy problems are currently hotly debated in the society-at-large, and the spokespersons reflected that controversy in response to the questions about energy. They disagreed for the most part that higher energy prices in the future would force farmers out of business; some said that farmers would be more ingenious in finding different energy sources and in using energy. Others felt that while some farm enterprises might not survive if energy prices went higher,

enough would survive because people--who like to eat--would pay higher prices for food produced.

Another controversial energy-related problem was the proper relationships among strip mining, energy production, agriculture, and economic prosperity in the western part of the United States. Those who wanted to preserve agriculture thought that benefits from mining would not be distributed among the people who lived in such mined areas, but would rather go to persons who resided elsewhere. The view of this pro-agriculture group on water was that there was no need for large, centralized water systems in the west. To some in this group, it made no sense to build cities in deserts. On the other side were those who thought that energy production was more important than agriculture, particularly in states like Wyoming and Colorado where "agriculture" meant ranching and "cattle grazing" rather than planting crops. They felt that stripped land would soon become available again for grazing purposes. This group, which preferred energy production and urban development to agriculture, held an "economic" view about water: they felt it should go to the highest bidder for it.

As for a general question about the trend in farm sizes, respondents agreed that small and medium sized farms were in trouble and large ones were prospering by increasing in size and number. Many were troubled by these trends.



What can be concluded about the groups' views of the future of rural America? While farming is still viewed as having desirable social advantages, it is becoming economically difficult for middle-sized farms to survive. All deplored this trend but did not all agree that part-time farming would be the solution for many farmers. Energy development in general was a problem for respondents in that it most likely would mean the end of agriculture in certain western areas, yet people most likely would still eat. Few of the interviewees recommended specific futures for rural areas. Rather, they advocated careful planning on energy tradeoff issues and more research on what made rural communities viable. Generalizing from the responses, what seems to be hinted at is diversity in agricultural production and organization with corresponding healthy rural communities. No respondent indicated a clear preference for the countryside left to power lines or turned into "city." Their preference for the proper mix was elusive.

#### Broader Social Concerns

Attitudes of nonfarm food and agricultural interest groups toward the following issues are reported in this section: environmental protection and food costs, inflation, agricultural land use, alternative agriculture, and farm exports. Table 9 summarizes these attitudes of the groups.

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Table 9    ATTITUDES OF SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST  
             GROUPS TOWARD ISSUES OF THE STRUCTURE OF U.S. AGRICULTURE  
             (CONTINUED)

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<u>ISSUE</u>	<u>AGREE</u>	<u>DISAGREE</u>	<u>NO CHOICE</u>
<u>C. Broader Social Concerns</u>			
<u>Farmers should comply with pollution and OSHA regulations and be careful in applying pesticides, even if it means higher food costs.</u>	Unanimous		
<u>Inflation hurts farmers by increasing their costs, but helps them by increasing the value of their assets.</u>	Majority		
<u>Agricultural land should be protected from inflated land prices and urban sprawl.</u>	Majority		
<u>An alternative agriculture in the United States, more concerned with organic methods of production, might be beneficial for people and the environment in the long run.</u>	Majority		
<u>Farmers should export as much of their products as they can, even if it means higher U.S. food prices.</u>	Majority		

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Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

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Environmental Protection and Food Costs. Just how much respondents would be willing to trade off between environmental protection, food safety, occupational safety and food costs was the point of the next question. They were asked whether they thought farmers should comply with pollution and OSHA regulations and be careful with pesticides even if it meant increased food production costs. Unanimously, they agreed. Some did note, however, that it would depend on the kind of regulations--they should be good and reasonable.

Several noted that with many pesticides the country was playing with unknowns whose long term effects over years of use could not be calculated. A few felt that society should somehow help farmers if adherence to safety regulations were required for farmers, since individual farmers faced few incentives to watch soils and pollution levels. In fact, some noted that farmers who market to processors are not able to contract for sales if they have not followed particular patterns of pesticide application. One interviewee thought the choice for farmers between going broke and endangering consumers and the environment could be a very difficult one. One respondent, however, was unwilling to make of farmers a special case. His response when asked if farmers should obey the regulations was, simply, "like everybody else."

Inflation. This question about inflation was chosen as an indicator of how the organizations viewed the relationship between U.S. macroeconomic policy and farming. Respondents were asked whether they agreed that inflation both hurt farmers by increasing their costs and helped them by increasing the value of their assets. The majority agreed with the overall statement. Those that disagreed did so because they did not view an increase in asset value as particularly relevant to increases in annual income.

One respondent who agreed with the proposition noted that he thought one effect--asset valuation inflation--offset the other effect --increased costs. Others who agreed, however, were not so certain. They argued that it depended on the nature of the inflation involved; if the price of all goods changed at the same rate there would be no long term impact on welfare. They felt that where farmers were hurt were in cases where input prices rose faster than output prices. A related view of those who agreed was that farmers had very little short run control over the prices paid for inputs or received for their products, and that the increase in land values from inflation accrued to only a small percentage of farmers and resource owners.

Those who disagreed did so from the standpoint of accounting rather than economics, noting that input costs were expenses that related to income, while asset increases were long term appreciation items. In the words of one spokesperson in this group,

It is like comparing apples and oranges.  
You are talking about long run appreci-  
ation versus short run liabilities.  
They are not balanced by any accounting  
method.

Others felt that there was little value in being land rich and bankrupt, and that farmers had assets because they had borrowed



heavily from the banks. One respondent felt that it did not matter how much assets increased in value if farmers still owed the banks. The only way to take advantage of the asset would be to sell it.

Agricultural Land Use. In response to the question about land use and the future of agriculture, the majority of the respondents agreed that agricultural land should somehow be protected from inflated land prices and urban sprawl. The balance neither specifically agreed nor disagreed. Most of the respondents reflected somewhat extensively on the issue.

Those who agreed that agricultural land should be protected did so for a variety of reasons. Some felt that homes and cities could be built on second and third class agricultural land. Some felt that the question as to "who benefits?" from protection had to be asked, because in some cases a tool like zoning of agricultural land had been used to keep out low-income housing developments. Most were not certain how to protect the land--whether by taxation, zoning, land use planning or some other artificial technique. One respondent in this group felt that it would not be possible to protect agricultural land without a different kind of economic system. Yet several in this group saw the need to view such land as a productive resource rather than as an investment commodity. They thought that within an intermediate range of 25 years food needs would be much increased, less fertilizers would be available for use, irrigation would be reduced and the country would be pressed

to have the land. One spokesperson who agreed noted that farmers would be among the most resistant when it came to zoning or land trusts; they all want to be able to sell their land some day and become millionaires.

Those who neither agreed nor disagreed had some difficulty with the meaning of the word "protected." One respondent wondered if a plastic shield should be put around such land. Some had faith that the market economy would protect what was valuable, and could not see protecting agricultural land from either urban development or inflated prices in other ways. One respondent did take issue with the idea of the market's protecting such land, saying that the market may have misjudged the future value of land, 500-100 years from now. Another pointed to tax laws which have helped speculators and damaged agricultural lands and offered insight in a different area. He saw the provision of local services as being very influential in urban development; for example, people would be much less interested in purchasing land for houses where no sewers existed.

Alternative Agriculture. While a question about alternative agricultural methods might well be placed in the earlier section on production efficiency, its advocates more frequently cite its desirability for more social purposes: like benefits to people in terms of food safety and nutritional quality and to the environment from less application of chemical fertilizers, herbicides and pesticides. Thus, the question appeared in this section. Organizational

spokespersons were asked if they thought alternative agricultural methods were more beneficial for those reasons. The majority agreed, while a minority disagreed or were neutral.

Those who agreed offered various reasons. Some felt that there would be more use of organic methods because chemicals (1) were expensive, (2) they pollute, (3) they are unsafe in the food chain, and (4) they wear out the land. Most did not see the use of organic methods as a nostalgic trip "back", and those who saw it as going back did not envision it as "all the way" back. Because farmworkers were often sent in right after chemical applications, because chemical inputs were becoming expensive, and because new techniques for things like pest management were being developed, some distance "back" seemed very practical to several respondents. Just because chemicals had been cheap, effective and fashionable in the past did not mean that the country could not draw on its own ingenuity for the future. At least a couple of interviewees felt that using some organic methods might be the best course over the long run.

Those who disagreed thought that without chemical methods, there would never be enough food produced, and that consumers were much more likely to be interested in eating less expensive food, which might be mildly risky for their good health. Those who did not answer either way thought that proponents of organic farming made a religion of their ideas; additionally, there was no cheap labor available for it. They felt it would never work on a medium or large scale.

Farm Exports. In the mid-1970's, farm exports were very large and one result was that food prices in the United States itself jumped suddenly much higher and protest was heard throughout the land. Farmers were, for the most part, delighted. In anticipation of possible similar circumstances in the future, the organizations' representatives were asked whether they thought farmers should export as much as they can, even if it means higher U.S. food prices. A slim majority agreed; almost all commented extensively.

While agreeing to the idea of exports, most of the respondents in the "agree" group did not like the idea of subsidizing exports to other countries. Most did not want to restrict trade, although they worried that exports to other countries might act as disincentives to those countries' agricultural production and development. One of those who agreed to large exports was at the same time concerned that any increases to U.S. consumers be affordable for all Americans including increased amounts made available for food stamp recipients. None of the others who agreed to maximum exports was concerned about U.S. food price increases.

Those who disagreed or were neutral felt that farmers would not benefit from additional exports, but that the "grain cartel" would. They felt the question of "who benefits?" must be seriously considered in any plan for exports, and that factors like the impact of U.S. exports on indigenous agricultural production in other countries must be taken into account. One respondent thought that complete



dependence on exports could be disastrous for farmers; and while another grudgingly granted that farmers should be allowed to export, she resented the way that Food for Peace programs had been used to change the eating habits of people around the world in order to create markets for U.S. grains.

#### Broader Social Concerns: Discussion

The issues addressed in this section which connect farming to a broader range of social concerns include environmental protection and food costs, inflation, agricultural land use, alternative agricultural practices, and agricultural exports that link the United States to the rest of the world.

The nonfarm interest group representatives were unanimous in their opinion that farmers should adhere to pollution and OSHA 9/ regulations, although they did not want regulations that made no sense. Some felt that the government should assist farmers in complying, if it was judged to be for the common good. At the same time, protecting agricultural land from inflated prices and urban sprawl made sense to respondents, even if they could not offer specific ways to protect such land. And alternative agricultural practices were attractive to the majority. Most of them saw great potential for the American farmer's ingenuity in balancing organic with chemical methods of production since chemicals were becoming prohibitively costly; in addition to which they thought such methods would be better for the land and people on it.

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9/ Occupational Safety and Health Administration.

Inflation proved to be as thorny an issue for interviewees as it is for the society. Inflation was seen by the majority to both help and hurt farmers--in the one case by increasing asset value and in the other by increasing costs. But there was no consensus as to its net effect upon farmers. As for exports, while the majority agreed that farmers should market in that way as much as possible, there were concerns about the ruination of American farmland to produce for export, the alteration of indigenous agricultures in other countries as a result of them, and who actually benefits from the increases in exports.

There is more agreement among respondents in this category of "broader concerns" than in either of the preceding two categories, and, in fact, than in the one to follow as well. It is an interesting occurrence. Questions of farm production, rural life and the heritage of farming are all more traditionally the policy concerns of farm rather than nonfarm populations. The area of "broader" issues related to agriculture would perhaps be one of more concern to nonfarm people. They are more likely to have reflected about the implications of farm policies in the wider society because their own concerns lie in the broader relationships between farming and the social order. Whatever the reason for the congruence of views in this category of issues, the fact of it should be well noted by political--and other--observers.

By primarily agreeing that farmers should be responsible about environmental regulations, utilize at least some organic farming methods, and not ruin agricultural development in other countries by their exports, the interviewees indicated their interest in seeing American farmers be responsive to broader social concerns. In agreeing also that agricultural land should be protected, the interviewees agreed that society had some responsibilities toward agriculture. The future will only bring more such interrelatedness of farm policies and social concerns, with resources becoming scarce, hungry people clamoring around the globe, and our balance of trade and economic well-being hinging in some measure on agricultural exports. To ignore the interrelatedness of agricultural and other social concerns is to ignore what may really count in the long run: whether this nation will be able to produce food itself and live as an agricultural trader in a way that will not destroy it.

#### Values, Beliefs and Heritage of American Farming

Attitudes of nonfarm food and agricultural interest groups toward the following issues are reported in this section: land ownership and farming as democratic ideals, food aid, land ownership and property rights, the relationship between the organization of farming and food costs, non-family corporate farmers, and the relationship between the moral strength of the country and small farms.

Table 10 summarizes these attitudes of the groups.

Table 10 ATTITUDES OF SELECTED, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS TOWARD ISSUES OF THE STRUCTURE OF U.S. AGRICULTURE (CONTINUED)

<u>ISSUE</u>	<u>AGREE</u>	<u>DISAGREE</u>	<u>NO CHOICE</u>
<u>D. Values, Beliefs and Heritage of American Farming</u>			
Anyone who wants to <u>own land and farm</u> should be able to do so, because these are long-held <u>democratic ideals</u> in the United States.	Majority		
U.S. agriculture should be operated to insure that supplies will be available to meet <u>food aid</u> needs overseas, even if it means more inflation in some years.	Majority		
<u>Owners of agricultural land</u> , farmers or nonfarmers, should be able to <u>use it as they please</u> .		Majority	
It does not matter how <u>farming is organized</u> , as long as consumers have <u>cheap food</u> .		Majority	
<u>Nonfamily corporations</u> should be permitted to farm.	-----Two-way split-----		
The <u>moral strength</u> of the country would be greater with a larger number of <u>small farms</u> .	-----Two-way split-----		

Source: Interviews with Selected, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

Land Ownership, Farming and Democracy. Interviewees were asked if they agreed that anyone who wants to own land and farms should be able to do so. All but one respondent agreed. While agreeing, many qualified their statements by saying that while there should be no legal barrier to land ownership, there may well be economic barriers. Some were in favor of the government's assisting young farmers who wanted to begin farming, others thought it would be "crazy" to put



new farmers on the land when the country already had a glut of food production. Several noted that whether financial assistance were proffered or not, farmers should have some competence to run a farm --those without ability should not attempt it and should not be supported unless previously trained. Approximately as many thought that land ownership had something to do with the quality of citizenship participation in the socio-political process as did not think so. Those who thought it did not cited other countries where land redistribution would be far more meaningful than in the United States.

The respondent who disagreed felt that not just anyone should get land who "wanted" it; it should be purchased from whoever owns it presently.

Food Aid. Another item in the heritage of American agriculture is that it is so abundant a producer of foodstuffs, that it can be the "bread-basket" of the world. In the mid-1950's, the Food for Peace program, shortened to "food aid" in popular parlance, was instituted primarily as a means to dispose of U.S. agricultural

surplus. 10/ Interviewees were asked whether they thought that food supplies should be made available for aid even if it meant more inflation in some years. The majority agreed.

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10/ The food aid program has had its benefits--to both U.S. producers in terms of expanded markets, and recipients in terms of increased availability of foods. But the program has also had its shortcomings--for U.S. consumers because it drove the price of domestic food up, and, more importantly, for recipients who often, because of food aid, found their own agricultural development thwarted.

While the majority agreed, however, they did not agree unqualifiedly. Many felt that the program should be operated sensibly and provide stable amounts--not amounts varied with surpluses or shortages in U.S. production. Some cited a moral obligation in this country to provide food aid, others thought that it should be continued only if it would mean an effective increase in the amount of food people in developing countries actually ate. Where food aid was sent and the fact that it could be misused, particularly to increase U.S. markets, were also concerns of some of the respondents.

One interviewee disagreed that food aid should be continued; in fact, she thought it should be stopped immediately. She felt it only harmed developing countries because it meant that U.S. food companies could eventually increase their markets and their profits. The few who did answer specifically one way or the other felt that food aid grants were not permanent solutions for countries abroad, and that U.S. agricultural technology and eating habits (grains and meat) were not the ways to feed the world. In this latter view, food aid was seen as the way that markets for our agricultural products and agricultural technology were created. As an alternative, greenhouses to grow vegetables might be considered.

Land Ownership and Property Rights. The whole question of property rights in the United States is a very touchy one. Legal scholars can thread its history through thousands of casebooks and treatises, and from their first year school children are taught to respect each other's crayons. A fundamental corollary of the right to property is freedom in the exercise of the right--use of the property. With this in mind, interviewees were asked whether they thought agricultural landowners should be allowed to do as they wished with their property.

The majority of respondents agreed that the use of property was contingent upon the common good. Some reflected that the right to property was socially created, and therefore it was not a natural right. Others struggled with the conflicting values of independent and self-determination and the social use of land, but concluded that individuals might need to accept in their own lives the consequences of the societal need for long-range planning. Several respondents noted that there were externalities involved, and to degrade soil or water was to be poor stewards of the common natural wealth of the country.

Some of those who agreed or who neither agreed nor disagreed, thought that market influences would be important determinants of land owners' responses. One felt that farmers should sell land that had coal beneath it; still others felt that when the eventual crunch

came the choice would be to put all available land into production. Until then, owners could do as they pleased with the land. One who agreed thought that while freedom to act with respect to choice of crop, farming method, and hiring of farm labor was desirable, some social constraints such as zoning might be necessary at times.

Organization of Farming and Food Costs. This question was asked of organizational representatives in order to ascertain their choice of priority between how farming was organized and "cheap" (as in "inexpensive") food. All but one, who did not answer either way, indicated that it did matter how farming were organized. Most of the respondents felt that in the long run interests of the country, there were other things more important than "cheap" food. One respondent pointed out that what was desirable was safe, nutritious and affordable food. A couple of spokespersons felt that cheap food was not the principal aim of the structure of American agriculture at this time. Others chose to focus on the production end of the question. They felt that the food production system was more than a biological business system, and that a first decision should be to decide the kind of socio-economic structure that would allow for desirable characteristics in farming like strength, depth, vitality and flexibility; after that was completed, food prices might run their course. Some painted rather extreme scenarios to make their point that the kind of organization did matter. They suggested that all resources could be used up in a year and people could be put to work slave-like



to produce cheap food, but neither of those courses would be acceptable to most Americans.

The one respondent who neither agreed nor disagreed felt that the organization did not matter as long as resources were used efficiently and individuals were allowed the freedom to exercise their rights over the land freely. Another respondent felt that the question was a "set up," to which one could only respond "yes" if one had absolutely no sympathy with farmers.

Nonfamily Corporate Farmers. A popular complaint since the early 1970's among farmers and rural policy analysts has been that "corporations" have been buying up farmland, entering the farming business and in general preempting family-run operations. Many families have taken up the corporate form for the sake of inter-generational transfer, 11/ so it is not the corporate form per se which has been viewed as objectionable. What has been protested are non-family corporations that enter agriculture with greater capital resources, debt-carrying capacity, sometimes more highly trained managerial personnel, and, for the most part, vastly different goals from family farming arrangements. Among other accusations, these corporations have been charged with writing off profits through tax-loss farming shelters, indiscriminately (with respect to

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11/ This term refers to the situation in which the current owner(s) of the farm leave the land and assets to their children. The corporate form facilitates the transfer because, among other things, no estate taxes need be paid. Payment of such taxes has often resulted in the family's loss of the farm in the past.

timing) entering agricultural markets, and destroying resource base (soil) quality. When asked if such corporations should be permitted to farm, the respondents were split between agreeing and disagreeing, with a few of them responding neither way.

Half of those who agreed had absolutely no problem with non-family corporations' farming. They did not think them a problem and thought they should be permitted to own land and farm. Others thought they should be permitted, but not encouraged. They felt there should be conditions on their growth so that labor and family displacements, and environmental consequences were lessened. One offered the idea that if the structure of farming would be enhanced by the existence of more small farms, they ought to be encouraged and supported. This respondent felt that big farms would take care of themselves, but just keeping corporations out would not necessarily enhance small farms.

For the most part, those who disagreed were vehement in their refusal to allow non-family corporations to farm. They desired the widest possible distribution of land ownership and thought that only family corporations and cooperatives should farm. A less convinced spokesperson in this group felt that such corporations should be curbed and restricted because they farmed only for tax purposes and prohibited others from making a livelihood.

Those who did not answer the question by agreeing or disagreeing had widely divergent thoughts on the question. On the one

hand, it was thought that corporations should be discouraged strongly from farming and excluded from public subsidies. Corporations should not be prohibited, but advantages should go to actual farm operators. On the other hand, one of the respondents in this group wondered if corporations should be allowed to do anything; his principal view was that agriculture was not different from other sectors of the economy and should not be treated differently.

Moral Strength of the Country and Small Farms. This last substantive question asked of the interviewees raised a few eyebrows, brought forth a little laughter, and ultimately split their responses evenly between agree and disagree. They were asked if they thought the moral strength of the country would be enhanced with a larger number of small farms.

Those who agreed felt that both small and moderate size farms that were actually part of the agricultural economy were desirable. They felt that being close to the land and growing things was of immeasurable value. Most saw social and community improvement with such an arrangement. One respondent who hesitated to wholeheartedly agree, however, could see little good in preserving rural values that were "John Birch attitudes towards others." Another respondent thought it a very popular notion; "what could be more American than the neo-Jeffersonian ideal?" he asked.

A majority of those who disagreed with the proposition thought it was "romanticized," "sentimental nonsense," a "mystical notion."

They did not feel that farmers were unique in moral strength. One spokesperson felt that the flexibility and the social cohesiveness of the society might be better, but he doubted that the morality would be. Another felt that if part of the reason for having small farms was to develop children's virtues, other kinds of small communities might be as good environments for it.

The respondent who did not agree or disagree felt that the distribution of economic and political power would be improved with a better distribution of small farms, and the country as a whole would have more moral strength. But she doubted seriously whether individuals would act more morally with more small farms.

#### Values in American Farming: Discussion

Values, beliefs and heritage are components of a social vision, and many a social philosopher has argued that the goals and ideals of a society are the underpinnings to social institutions and social sciences. From the social philosophy flow the economics, politics, sociology, psychology and culture of a society, and for that reason the vision is important. In the history of American agriculture since the 1930's, a principal goal of agricultural policy has been an equitable return to farmers and ranchers in the form of farm income. And income was thought to be the primary determinant of well-being, a desirable social goal. Because this emphasis had to do with economics, that social science rose to pre-eminence in the analysis of agricultural policy.



But for analysts to focus only on one social aspect was to narrow the social vision. Rhetorical support was given to preserving family farms and rural communities, but there were many slips between the rhetoric and the reality of social programs in rural areas. It is still possible to believe that well-being in terms of income will result in the preservation of good social institutions. But it is also useful to look again at what is valued about American agriculture and decide if the nation really has programs and policies that make real its social vision.

Nonfarm interest groups valued farming and land ownership as options for anyone, though some felt that assistance should be provided to new farmers while others did not. Any legal restriction to land ownership was viewed as intolerable; economic barriers were noted as frequent occurrences. There was no uniform feeling that land ownership made better citizens. The majority felt that the use of agricultural land should be for the common good, and that externalities like pollution and not consulting neighbors about disruptive building programs were not sociable behaviors. The interest groups thought that the kind of organization in farming was important. Those who wanted a desirable production structure did not mind that food prices might rise, nor did those concerned about food costs want production resources organized only to meet their needs. The majority also valued sending food aid--but to actual people, not politically allied governments. Most thought it should be a stable program upon which recipients could rely, and a program

that would not destroy developing country agricultures. Those who did not want food aid sent thought it abhorrent that the program should have been misused to create overseas markets for U.S. agricultural surplus.

Two somewhat controversial value questions involved the activities of nonfamily corporations in agriculture and the relationship between the moral strength of the country and small farms. Despite widespread complaints about non-family corporations' involvement in farming, respondents were divided on whether to permit them to farm. Most desired constraints on them if they were allowed to farm, but many protested their being allowed subsidies and advantages believed intended for individual farm operators. Those who desired the widest possible distribution of land ownerships saw corporate land ownership as a threat to that kind of social structure. The respondents were similarly split on whether more small farms would enhance the moral rectitude of the United States. Those disagreeing thought the idea romanticized nonsense, while those agreeing felt that it was important to be in touch with living things and have some measure of control over one's personal life and work. Some felt that social cohesion, flexibility and economic power would be "better" in the country if there were more small farms, but doubted the phenomenon's effect on personality morality.

The nonfarm food and agricultural interest groups certainly cannot be said to fall perfectly along any ideological line in what they

believe about American agriculture. Certainly they all do not see everyone in the United States living on small farms, nor are all concerned that nonfamily corporations are ravaging the countryside. Most seem to desire responsible actions and programs from all parties involved--farmers, corporations, and the government. It matters how farming is organized, corporations are not seen as totally undesirable in food production, and the government can do better with food aid programs if its focus is more properly upon needy persons.

Surely these are the reflections of people who have taken time to study the structure of American agriculture and American food programs, and who care enough about the way those work to desire realistic, wholesome results. They do not fear to suggest changes where they feel the structure or the program has promised and not delivered. Their views are likely a reflection of views held by many in American society, and that is all to the good. Such clarification of values and reflection upon instruments to embody them in social programs must continue to be an exercise in American food and agricultural policymaking and it must continue to encompass ever more broadly related groups.

#### Perceptions of Small Farms and Influences Upon Them

Definitions of a "small farm" have been as elusive as have definitions of "farm structure" in food and agricultural policy-making circles. In the case of "farm structure" earlier reported, the non-farm interest groups reflected a majority opinion that more than the farm production sector was included in the term. In the case of

"small farms", however, no consistent opinion materialized. There were almost as many definitions for "small farm" as there were respondents. The majority made some mention of "family" as they defined "small farm" some saying that a family could run one. A few of those who mentioned "family", however, seemed to blur a distinction by defining a small farm in terms of a family farm, or a "family farm" as a "small farm."

In defining "small farm," the majority of the spokespersons used some quantitative measure either income, sales or net worth. Despite the quantified responses, no similar definitions emerged. A few defined small farms as having less than \$40,000 net annual income. Others said that small farms would have under \$40,000 in annual sales. 12/ Another definition offered by one interviewee was that small farms were those that had average yearly sales of only \$10,000 or less (in 1979 dollars). 13/

The minority did not define small farms in quantitative terms, but rather spoke conceptually about them, and in doing so suggested some indicators as to how small farms might be recognized. Such indicators included income, acreage, gross sales, tenure, whether

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12/ The problem with just these two definitions is that the former would include farms that would be a lot bigger, in terms of sales alone, than would those in the latter definition.

13/ This definition would completely exclude several farms that would be classified as "small" in the two previous definitions.



farmers were owner-operators, whether farms were family-operated with seasonal assistance, type of crop grown, percentage of production marketed, and diversity of crops. One respondent among the minority who conceptualized admitted having a somewhat "New England and mid-Atlantic pastoral view." Another spoke somewhat elusively about a small farm being less than the optimum size for one full-time operator and distinguished that while some would define such an optimum as a "small farm," he would not.

After giving these definitions, respondents were asked whether the following factors had historically influenced small farms positively, negatively or not at all: commodity programs, expanded U.S. exports, the demand created by food stamp and food distribution programs, rural development, credit availability, agricultural research and education, suburban development, income taxes, estate taxes and nonfarm employment. Table 11 summarizes their perceptions of these influences. 14/

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14/ Given the respondents' varying definitions of "small farm," too much faith should not be put upon how they felt the factors listed influenced small farms. That is to say, that while all may feel that commodity programs negatively influenced small farms, since the definitions of "small farm" are all different, it is not really possible to know exactly what is meant by a majority opinion of negative influence. Despite this quite major difficulty, it may be useful to chart anyway where the majority of responses fell. Perhaps such an exercise will shed a little light on both the groups' understanding of the concept of "smallness" in farms, and the way these farm-impacting phenomena are viewed by these organizations.

Table 11 THE ATTITUDES OF SELECT, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS TOWARD INFLUENCES UPON SMALL FARMS IN THE PAST 1/

<u>INFLUENCE</u>	<u>HELPED SMALL FARMS</u>	<u>HURT SMALL FARMS</u>	<u>NEITHER</u>
Commodity programs		Majority	
Expansion of U.S. agricultural exports	-----Three-way split-----		
Demand created by food stamp & food distribution programs	--split--		--split--
Rural development (industry, transportation, housing, health care)	Majority		
Availability of credit to buy or expand farms	-----Two-way split-----		
Agricultural research & education		Majority	
Suburban development		Majority	
Income taxes		-----Two-way split-----	
Estate taxes			Majority
Nonfarm employment	Majority		

1/ These impressions relate to "small farm" as each individual respondent defined the term. There was no definition that appeared consistently in all responses. Each interviewee had a somewhat different definition.

Source: Interviews with Select, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

The majority of respondents felt that commodity programs had impacted negatively upon small farms over the years. One explained that while the programs had not been a "nefarious" influence on small farms, it had benefitted the larger ones to a far greater extent. Another spokesperson felt that commodity programs benefitted all farmers, although larger ones disproportionately more so, because they reduced risk--another factor hazardous to small farms.

The expansion of U.S. exports was seen as influencing small farms positively, negatively and not at all--a three-way split. Events in 1972 and 1973 were viewed as having benefitted all farmers, including small ones, positively. Those who said they influenced negatively said, first, that increased exports drove up prices in commercial markets and meant farms had to become larger to service distant markets, and secondly, that such expanded exports supported larger corporations rather than farmers. One of those who said the increased exports had no effect said that it was not government policy that brought about the increase; it just "happened" and smaller farmers were left out.

As many respondents felt that the demand created by food stamp and food distribution programs had positively affected as felt there had been no effect on small farms at all. A few felt that small farms were negatively influenced by that demand. Those who felt that such increased demand was a positive influence felt that it was only very slightly so, since the food stamp program was such a small percentage of the gross agricultural product. Those who

felt that such demand influenced negatively felt that it contributed to the whole welfare state idea. One individual who felt the food programs had no effect on small farms in the past anticipated that the future might be different, since farmers' markets were now able to accept food stamps from consumers whereas previously only grocers could accept them.

A majority of the interviewees felt that rural development had benefitted small farms. A few felt that such development had influenced negatively or not at all, and one respondent felt that its influence had been both positive and negative. Respondents who felt rural development was positive felt that it helped everyone in rural areas but probably the small farms most because they most need systematic delivery of services. Mentioned by this group was the idea that USDA policymakers needed to attend to this issue more and not pretend that rural development is not the business of the Department. Among those who felt that rural development hurt small farms, one spokesperson noted that in health care and transportation there had been some good performance, but in general both of those were better in urban areas. The respondent who felt that rural development had been both good and bad for small farms felt that most efforts had dual results. For example, rural housing improved things for farmworkers, but also subsidized larger growers. Industrialization put people to work, but also put prime agricultural land out of use. Sometimes labor hired into this industry is not the local labor, and the revenues from the enterprise are "exported" from the area.



Almost an equal number felt that credit availability had helped and hurt small farms. Those who felt credit had been available and beneficial to small farms said that it had enabled them to grow into medium-sized ones, although credit programs had in the past had some of the same problems as commodity programs. Those who felt small farmers had been hurt by being denied credit noted that larger farmers were usually extended more credit and paid less for it.

The majority felt that agricultural research and education had primarily hurt small farms, although only one respondent offered any particular reason. That person felt that only corporations and large farming operations had benefitted from such research and education. The respondents who felt that such research and education had helped small farmers distinguished between the two, as did those who felt that those efforts had impacted both positively and negatively. Both groups felt that while research efforts had pretty much helped only larger farmers, there had been substantial education of small farmers in such things as land use, pruning trees, farm management, and use of hybrid seed.

Regarding the influence of suburban development on small farms, the majority felt it had been negative. A few did not specifically choose. Some of the majority felt that all farms were hurt in the face of urban expansion. Somewhat tongue in cheek, those who did not specifically choose noted that the development of suburbs had "helped" small farmers to get out of farming.

Almost as many thought that income taxes had been harmful to small farms as did not choose or did not know. The reasons given for the impressions of negative influence were that there were tax benefits for nonfarm investors with other tax liabilities rather than provisions for small farmers. Larger farmers were also viewed as benefitting because they could make deductions for investment in farm equipment and machinery. Some of those that felt income tax regulations had little effect on small farmers said that those farmers really did not have the income to pay very much in taxes.

The majority of interviewees did not know how they influenced or felt neutrally about estate taxes and small farms. Several felt negatively. Those who felt that estate taxes had neither helped nor harmed small farms realized that small farms were usually not worth more than the amount that could be written off under federal estate tax laws. One respondent in this group added that when the larger ones inherited land, they already had a head start in expansion over the smaller ones. One respondent who said that small farms were hurt by estate taxes cited particularly cases in the southern United States. There, she noted, if any heir wishes to sell the land, petition sales must be held--fellow heirs may not buy out the one desiring to sell. She argued that this has been a principal reason for the decline in black land ownership in that region of the country.

Nonfarm employment was seen by most spokespersons to have principally benefitted small farms. They felt that nonfarm job opportunities made it possible for small farmers to make a "go" of it on a farm that may not itself produce enough income. These noted that if farmers had to work full time elsewhere they would be likely to quit farming. However, some felt that such employment opportunities cut two ways. On the one hand small farmers may have closed down their farms to go to jobs elsewhere, or they may have been enabled by non-farm employment to continue with part-time or weekend farming.

#### Small Farms: Discussion

Overall, the influences seen by the nonfarm interest groups to be primarily helpful to small farms were rural development and non-farm employment opportunities. The ones seen to be primarily harmful included: commodity programs, agricultural research and education, suburban development, and income and estate taxes. Lastly, a few phenomena were viewed as having a mixed influence: expanded exports, demand from food stamp and distribution programs, and the availability of credit. Again, it must be remembered that these perceptions of influences do not relate to any single definition of "small farm" agreed upon by the nonfarm interest groups. But if the concept of "small farm," vague as it may be, and the groups' perceptions of influences upon them can be any kind of barometer at all, some things would seem true: a lot of governmental programs and efforts, along with other non-governmental phenomena, have not assisted them.

### Preferences in Tradeoff Issues

The next question that was asked interviewees involved a set of six pairs; they were asked to choose which of each pair they would prefer. The issues involved were: land ownership, environmental quality and food cost, chemical residue in foods and food cost, capital or labor intensive agriculture, a farm structure dependent on governmental controls or personal freedom, continued support for farm price and income or more small farms. More than any other portion of the interview, the phrasing of the choices brought charges of "USDA bias," "false dichotomy" and improper conceptualization, from groups which on most other issues had appeared diametrically opposed. Table 12 summarizes the choices of the interviewees when asked this question.

Land Ownership. The majority preferred that operators own the land they farm rather than landowners be free to operate or rent their lands. One of those who preferred the first noted that it would be an ideal formula for a stable agriculture. One of the respondents who preferred the second thought that the individual should have the option of doing as he/she likes. One respondent who did not choose said that he saw no advantage either way. Requiring owners to farm their land or farmers to own their land may set up restrictions on freedom not found elsewhere in the economy; while sentiments about absentee landlords could be appreciated by the groups, they felt those sentiments may not be valid in the American context.



TABLE 12 PREFERENCES OF SELECT, NONFARM FOOD AND AGRICULTURAL INTEREST GROUPS IN SELECTED TRADEOFF ISSUES RELATED TO THE STRUCTURE OF U.S. AGRICULTURE

Land ownership

Operators to own the land they farm	Majority
Landowners free to operate or rent their lands	-
Neither	-

Environmental Quality/Food Cost

Less pesticides in environment, higher food cost/quality	Majority
More pesticides in environment, lower food cost/quality	-
Neither	-

Food Safety/Food Cost

Less chemical residues in food, higher costs	Majority
More chemical residues in food, lower costs	-
Neither	-

Resource Mix in Agriculture

Capital-intensive agriculture, less inputs of labor	--split--
Labor-intensive agriculture, less inputs of capital	--split--
Neither	-

Government Intervention in Agriculture

Desirable farm structure through government controls and limitations on individual freedom	--split--
Undesirable farm structure with freedom for individual decision-making	-
Neither	--split--

Relation Between Price/Income Support & Small Farms

Continuation of support for farm prices/income, fewer small farms	-
Instability of farm prices/income, more small farms	-
Neither	Majority

Source: Interviews with Select, Nonfarm Food and Agricultural Interest Groups, Summer 1979.

Environmental Quality/Food Cost. All but one spokesperson, who did not choose, preferred an environment more free of pesticides with higher food cost and quality as opposed to one less free of pesticides but with lower food cost and quality. Those choosing the first did not feel all pesticide use should be halted, but there should be some cutting back. One respondent felt that food more free of pesticides would not necessarily cost more. The individual who did not choose either of the pairs thought that a cost/benefit analysis would have to be calculated in each case.

Food Safety/Food Cost. Though this pair was similar to the preceding pair, there were some shifts in responses. While a majority chose food with less chemical residues but higher costs, two respondents preferred food with more chemical residues but lower costs.

Those who shifted their opinion on residues in foods felt primarily that the residue problem was not the same as the pesticide problem. They felt that chemical residues could more easily be worked out of the human system than pesticides could be worked out of the environment. Additionally, one respondent felt that higher food prices in this case would be harder on the poor. He felt that poor people might be more willing to risk cancer in the long term in order to have a few more cents to buy a child more milk.

Those who did not choose included the one respondent who again felt that every case would require a cost/benefit analysis, and

another spokesperson who felt that there could be both less residue and less cost with a little research and thought.

Resource Mix in Agriculture. The tradeoff between capital and labor inputs to agriculture resulted in a near-tie between the two options. Almost as many preferred capital-intensive agriculture with less inputs of labor as chose labor-intensive agriculture with limited inputs of capital. Those who opted for capital inputs felt that food was cheaper that way and farmers had to do less hard work. One philosophized that if one believed that farm labor was good for personal growth, even in an air-conditioned tractor-cab plowing was still hard work. Another offered the economist's view, stating that the cheapest inputs should be used. In India, he argued, that would be principally labor; in the United States it would not be principally labor.

Those who preferred labor inputs tendered some doubts: it was hard to separate their desire for more use of labor from the question of who would control the capital. One respondent thought this country could operate much as do the Chinese. As long as the resource quality was safeguarded, one respondent had no preference; another who did not express a preference felt that capital investments were already over-subsidized.

Governmental Intervention in Agriculture. The next pair brought the lively, and sometimes angry, responses from the interviewees. At stake was the much cherished--in this country--right

to freedom of action and government intervention which might infringe upon it. The choice was between a farm structure that respondents would find desirable if it meant government controls and limitations on individual freedoms, or an undesirable farm structure if it meant freedom for individual decisionmaking. As many agreed to the first choice as refused to choose at all. A minority chose for freedom of action and an undesirable farm structure.

Some who preferred government control in order to have a desirable structure were hesitant, stating that the propositions as posed disturbed them. But one respondent noted, "we are just not going back to an unregulated state."

The minority group of responses came from those who preferred personal freedom to government intervention to create what even they might desire. One respondent philosophically said that freedom so far had not necessarily caused an undesirable structure. Another was puzzled why a situation would be judged undesirable if it provided freedom and, therefore, diversity. It seemed to this spokesperson that what existed in the United States presently was freedom for personal action, and farm operations seemed reasonably viable with that.

By far the most interesting responses came from the number of interviewees who refused to choose either of the pair. They thought the choice biased; they hated to see people's freedom to operate as they would like violated; it was an awful question and a foolish question; rather than control by putting a gun in people's ribs, the



government should only influence. One interviewee remarked that the choice was like asking whether (you) wanted a higher defense budget or the Soviets to conquer the United States. Another spokesperson in this group said that freedom was a far superior social goal, but that it was possible to achieve both goals through incentives, for example, tax advantages to cooperatives, for proper social conduct. He thought it better to reinforce desirable behavior rather than punish undesirable behavior.

Relation Between Price/Income Support and Small Farms. This last pair of choices inspired even more comment than did the preceding pair. Even those few who chose one or the other did so with reservations. The majority by far refused to choose. The selection was between the continuation of support for farm prices and income and fewer small farms, or the instability of farm price and income but more small farms.

The two respondents who chose the continuation of support for farm price and income were not sure that such support would necessarily result in fewer small farms. One respondent noted that, though implied in the proposition, it was not the case that small farms induced instability. Both of the respondents who chose instability and more small farms thought the entire dichotomy a false one.

Every single one of the majority of respondents who refused to choose in this case complained of the juxtaposition of events. They

pairing was called "biased", "not well put", "backwards", "horrible", "false", "ridiculous", and "those were not the alternatives." Some felt that stability could be achieved not through commodity programs but rather through reserve programs. Others thought that commodity programs were for commercial, large farmers, and that more direct assistance could be directed toward small farmers if helping them were the social goal. Such assistance could include better credit, different estate tax laws, access to capital markets and insurance programs. One spokesperson pointed out that instability did not necessarily mean there would be more small farms, since those might go out of business if conditions were, in fact, unstable.

#### Preferences in Tradeoff Issues: Discussion

The choices, then, that respondents were willing to make in the six tradeoff pairs were the following. The majority preferred that operators own the land they farm, rather than landlords being free to farm or rent. Almost all preferred the environment be more free of pesticides, for which they were willing to pay more for food. A similar majority preferred that there be less chemical residues in foods for which they were also willing to pay more for food, although a few felt that chemical residues were more easily eliminated from the human system than were pesticides from the environment. Respondents were almost evenly divided in their preferences for capital-intensive (with limited labor) or labor-intensive (with limited capital) agriculture in the United States. Those for "capital" cited the need for yields, cheaper food and

less hard work for farmers. Those who preferred labor with limited inputs of capital still had some doubts about who would control the capital.

The final two pairs brought forth the most animated responses from the interviewees. When asked their preference between government intervention and personal freedom in any evolving farm structure, only a minority chose for freedom of action which might result in an undesirable farm structure. Some preferred government control to get a "desirable" farm structure, though they worried about infringing on personal rights. An equal number refused to choose, suggesting that the choice was intolerable to them. The final choice between the continuation or discontinuation of support for farm prices/income and the number of small farms drew negative comments from all respondents. The prevailing views were that commodity programs were not the only way to induce stability, numerous small farms did not per se induce instability, and there were ways to formulate programs in order to have both stability and numerous small farms--if that were desired.

The first four of these pairs involved issues which were familiar to the nonfarm food and agricultural interest groups. Many had reflected in their organizations upon things like land ownership, environmental quality, food safety and farm labor/capital-intensive agriculture, and had taken public stands on these issues in some cases. But the latter two pairs involving the degree of

governmental intervention to arrive at a certain socially desirable goal and the rationale behind farm price/income maintenance efforts may have been less familiar.

Certainly those two considerations were not unfamiliar to USDA policymakers. They have been continuously reflected upon in that Department since the first governmental intervention in farm production in the 1930's. The questions involve the proper role of government in establishing a certain set of social institutions, and the degree to which incomes should be supported--as a matter of public welfare--and the consequences from that, i.e. fewer small farms.

While the thinking within USDA may have been that the only way to arrive at a certain desirable farm structure would be for the government to "control" the development of such, political expediencies have usually guided the degree to which Administrations since Roosevelt's have intervened in agriculture. Yet most farm policy analysts will eventually come to grips with the complex web of public policies which have resulted in the present structure of U.S. farming. To the interest group representatives interviewed in this project it no doubt seems that if public policies were instrumental in the evolution of the present farm structure, they could as easily be utilized to modify that structure. And the matter seems to involve less methods of "control" than it does ways of "influencing" and offering "incentives." In a democracy such as the United States, the government may at times "control" the social



order, for example, by creating regulations to maintain public health or safety and protect the environment. But in most areas, much of food and agricultural policy included, it is considered impolitic for governmental authorities to operate other than by "influencing" or offering "incentives" rather than by "controlling."

As for the final choice presented the nonfarm interest groups--between support for farm price and income or instability and its relationship to small farms--the refusal of the majority to select either of the options may signal many things. It may signal a disbelief that commodity programs will mean the end of small farms or a disbelief that small farms necessarily mean instability, or it may signal a belief that commodity programs for medium and large farms can co-exist with other programs for small farms. The refusal to choose may mean all of those things, but it should not be interpreted as unwillingness on the part of the interest groups to discuss measures for the maintenance of any size farm. Throughout their interviews, many offered such recommendations for the preservation of all size farms. The reluctance to choose may reflect unwillingness to accept just USDA's option for stability in farm production--commodity programs, with a resultant loss in the number of small farms.

#### Respondents' Concluding Remarks

In this final section of the interview, respondents were asked whether their organizations were going to be working in any way on

any of the topics which had been discussed during the interview. And, in conclusion, they were asked whether they had anything else to say about either farm structure or the interview in general.

1980

Almost all of the organizational representatives said that their groups were going to be working in some way on these issues during 1980. Only three said that they did not intend to or had not yet decided what their next work was going to involve. One in this latter group remarked rather coyly that he would not be involved with these issues, "unless Mr. Bergland invites me." Those who planned to work on issues related to farm structure described their various efforts.

Of those agreeing that they would be spending time on these issues, more than half said that they would be working on the entire question of farm structure at least a part of the time. The group interested in the passage of the Family Farm Development Act intends to help other organizations and individuals understand the bill from their own personal perspectives. Other groups mentioned working with the Bureau of Reclamation "business" 15/, the Farmland Protection Act and the Farm Entry Assistance Act. Still others hope to

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15/ The Reclamation Act of 1902 has been the subject of much heated debate in Congress and in the country in recent years. The dispute stems from the Department of Interior's plan, announced in 1977, to enforce all portions of that law. What has drawn particularly acrimonious discussion is the 160-acre limitation on farm size for farms irrigated by water provided through federally-funded reclamation projects.

do policy research papers on topics like food and energy and food and inflation, hold consultations with farmers and agribusiness corporations, and educate their constituency about issues related to farm structure. One group promised a closer collaboration among its present four divisions so that the organization might address the question of farm structure in a more wholistic fashion. One group spokesperson said that her organization intended to evolve a complete set of food policies for the 1980-1981 legislation, and another group mentioned studying issues like food stamps, land reform, food aid, development assistance and small farm-big farm relationships in a more comprehensive manner.

Those respondents whose organizations did not intend to devote all, but only part, of their efforts to this area gave examples of things they intended to do. One individual was writing a book about the international grain trade; another was going to spend time studying topsoil erosion; yet a third interviewee promised an organizational commitment of 12-15 percent (of total energy and resources) in studying the structure issue. One organizational representative cited two projects her group intended to pursue. One is the Energy Impact Assistance Project, which will assist rural communities that are going to be hurt by energy production and development. That project will involve training for those who live in the sites, and the publication of handbooks for others who live elsewhere besides the sites chosen for assistance. A second project

of this organization will be involvement with a rural land alliance which will be concerned with the issues surrounding the ownership and control of land and associated resources. That alliance may study price supports, farm preservation, credit, taxes, and technical assistance.

General Remarks and Messages to USDA

Most interviewees had more to say. Many included messages for USDA personnel.

One respondent felt that the questions asked "sprawled," they went into other areas of social policy that he would not have closely associated with the question of farm structure. This individual did not like the idea of paying subsidies to millionaire farmers, but he was at a loss to suggest ways to help the small farm. Off-farm employment opportunities were seen as potentially useful for the small farmer. He thought that USDA ought to be looking at that very question: Does the part-time farmer actually need help?

In elaborating upon his previous views, another respondent stated that he thought that Secretary Bergland's emphasis was a correct one: that the premises justifying commodity programs and the issue of small farms needed to be squarely reviewed. He thought it unfair that larger farmers now were choosing to not participate in set aside programs, but were rather relying on the set asides of others to raise the prices of their products. As



for the small farm issue, he thought that if the social choice was that the society was healthier with small, family farms, the best route would be to promote off farm employment and community development, not just subsidize small farms. Perhaps light industry and diversified services in towns would be an answer. His concluding thought was that small communities had to be helped in order for small farms to have a chance.

Another spokesperson felt that the bias throughout the interview had been the face-off between the farmer and the consumer, and he argued that is just not reality any longer. He thought that the lack of any inquiry during the interview about marketing and distribution in the system constituted a glaring omission.

A brief thought from yet another interviewee was that he thought that for the entire structure issue, the human equation was a very important one. He just did not see attention being paid to human beings in this country the way that they were paid attention to in Europe. An even briefer comment from another respondent was that he was encouraged that the right questions are being asked.

A representative from one of the groups having a more international focus said that one of the most important things about this issue of farm structure was its spillover effects for other parts of the world. He stated that the United States had been a major influence on agricultural development in other, poorer parts of the world. He did not feel that this country had ever exported

a concept of agriculture that is most needed in other parts of the world. A focus on small farmers in this country might enable the United States to focus on small farmers elsewhere around the globe with a little more understanding.

Lastly, there were several "messages" for the Department of Agriculture. Some people were encouraged that the government was now asking these questions. One respondent complained of the biases she thought inhered in some of the questions, but she was glad that at least the Department was looking for alternative perspectives. She hoped that some of her views would be incorporated into the Department's work. Another view was that there is a real problem within the Department of Agriculture, both with its policies and with its assumptions. This respondent thought that the Department ought to look at what some of the agrarian reform groups in this country are saying and research those issues. "Do it and see," she said, "or prove us wrong." Some reflected along more general lines that a little more imagination in both the bureaucratic workings and in the research undertaken at the Department would serve well both the clients of USDA and the country as a whole.

APPENDIX I

SURVEY QUESTIONNAIRE

NON-FARM INTEREST GROUP SURVEY PROJECT QUESTIONNAIRE

1. WHAT IS THE COMPLETE NAME OF YOUR ORGANIZATION?
2. WHAT IS YOUR POSITION WITHIN THE ORGANIZATION?
3. WHAT TYPE OF ORGANIZATION DO YOU CONSIDER YOUR ORGANIZATION TO BE?
  - a. Consumer
  - b. Nutrition
  - c. Environmental
  - d. Rural life
  - e. Energy
  - f. Religious or charitable relief
  - g. International/world hunger
  - h. Agricultural
  - i. Other \_\_\_\_\_
4. HOW LONG HAS YOUR ORGANIZATION BEEN IN EXISTENCE?
5. WHAT IS THE SIZE OF YOUR ORGANIZATIONAL MEMBERSHIP?
6. WHAT IS THE SIZE OF YOUR ORGANIZATIONAL STAFF?
7. ON WHICH OF THE FOLLOWING ACTIVITIES DOES YOUR STAFF SPEND MOST OF ITS TIME?
  - a. Lobbying
  - b. Research
  - c. Education
  - d. Other \_\_\_\_\_
8. WHERE DOES YOUR STAFF GET THE INFORMATION TO DO ITS WORK?
9. DOES YOUR ORGANIZATION HAVE ANY LINKAGES TO OTHER ORGANIZATIONS, SUCH AS THOSE CONSIDERED TO BE?
  - a. Consumer
  - b. Nutritional
  - c. Environmental
  - d. Rural life
  - e. Energy
  - f. Religious or charitable relief
  - g. International/world hunger
  - h. Agricultural
  - i. Other \_\_\_\_\_
10. DOES YOUR ORGANIZATION HAVE THESE LINKAGES TO THOSE ORGANIZATIONS FOR ANY OF THE FOLLOWING REASONS?
  - a. Lobbying
  - b. Research
  - c. Education
  - d. Other \_\_\_\_\_
11. WHAT WOULD YOU SAY IS THE PRINCIPAL CONCERN OF YOUR ORGANIZATION?
12. HOW WOULD YOU SAY FARM POLICIES ARE RELATED TO THE PRINCIPAL CONCERN OF YOUR ORGANIZATION?
  - a. Directly related
  - b. Indirectly related
  - c. Not related
  - d. Other \_\_\_\_\_
13. WHY?
14. CAN YOU OUTLINE FOR ME BRIEFLY WHAT YOUR ORGANIZATION MIGHT UNDERSTAND BY THE WORDS, "STRUCTURE OF THE FARMING SECTOR?"
15. HOW WILL YOU BE ANSWERING THESE NEXT QUESTIONS ABOUT FARM STRUCTURE?
  - a. From the organization's position?
  - b. From your personal perspective?
  - c. Other \_\_\_\_\_
16. SOME PEOPLE ARGUE THAT INCREASED PRICES FOR FARM LAND HAVE BEEN CAUSED BY NON-FARM INTERESTS THAT INVEST AS A HEDGE AGAINST INFLATION. DO YOU AGREE?
17. OTHERS ARGUE THAT SUCH INCREASED LAND PRICES ARE CAUSED BY FARMERS WHO SEEK TO HEDGE AGAINST INFLATION AND EXPAND THEIR OPERATIONS. WOULD YOU AGREE WITH THIS ARGUMENT?
18. THE RELATIONSHIP BETWEEN ECONOMIES OF SIZE IN FOOD PRODUCTION AND FOOD PRICES TO CONSUMERS HAS OFTEN BEEN DISCUSSED. DO YOU AGREE WITH THE STATEMENT THAT SMALL FARMS WILL MEAN INCREASED FOOD COSTS FOR CONSUMERS?
19. MANY PEOPLE ARGUE THAT THE COSTS TO SOCIETY FROM THE TECHNOLOGY USED IN AGRICULTURE, SUCH AS IMPROVED SEED STRAINS, PESTICIDES WHICH INCREASE YIELD, AND LARGER MACHINERY, ARE TOO HIGH. DO YOU AGREE?
20. SOME PEOPLE ARGUE THAT COMMODITY PRICE SUPPORT PROGRAMS HAVE NOT BENEFITED THE SMALL FARMER IN THIS COUNTRY BUT RATHER HAVE BENEFITED THE BIG FARMER WHO PRODUCES IN GREATER VOLUME. WOULD YOU AGREE?
21. MANY PEOPLE SAY THAT GROWTH IN INDIVIDUAL AGRICULTURAL COOPERATIVES IS NEEDED IN ORDER TO COUNTERACT THE MARKET POWER OF OTHER INDUSTRIALIZED FIRMS IN THE FOOD SECTOR. DO YOU AGREE?
22. DO YOU AGREE WITH THOSE WHO ARGUE THAT FARMS WILL BECOME SO LARGE IN THE FUTURE THAT THEY WILL HAVE MONOPOLY MARKET POWER, AND HIGHER FOOD PRICES WILL RESULT?
23. SOME PEOPLE CONTEND THAT FARMERS WHO LEAVE AGRICULTURE DO SO TO IMPROVE THEIR ECONOMIC OR SOCIAL SITUATION. DO YOU AGREE?



24. THERE ARE THOSE WHO ARGUE THAT THE RURAL COMMUNITIES CAN ONLY BE MAINTAINED IN THE FUTURE IF PART-TIME FARMING IS COMBINED WITH NON-FARM EMPLOYMENT IN RURAL AREAS. DO YOU AGREE WITH THIS IDEA?
25. MANY PEOPLE ARE CONCERNED ABOUT THE WAY ENERGY POLICY WILL AFFECT AGRICULTURE AND RURAL LIFE. ONE POSSIBLE EFFECT IS THAT ENERGY COSTS WILL GO SO HIGH THAT FARMERS WILL HAVE DIFFICULTY PURCHASING PETROLEUM-BASED FERTILIZERS, DIESEL FUEL AND GAS FOR THEIR FARMS AND THUS BE FORCED OUT OF BUSINESS. DO YOU AGREE?
26. SOME PEOPLE ARGUE THAT THE ECONOMIC PROSPERITY OF THE WESTERN PART OF THIS COUNTRY WILL BE GREATER IF WE LIMIT STRIP MINING AND PRESERVE AGRICULTURE THERE. DO YOU AGREE?
27. IN THE ARID AND SEMI-ARID PARTS OF THE UNITED STATES THERE IS SOME EVIDENCE THAT WATER FORMERLY USED FOR AGRICULTURE MAY NOW BE USED FOR URBAN DEVELOPMENT AND ENERGY PRODUCTION. DO YOU AGREE THAT THIS SHOULD BE ALLOWED TO HAPPEN?
28. DO YOU AGREE WITH THE FOLLOWING STATEMENT: "SMALL FARMS ARE DECREASING IN NUMBER, MIDDLE-SIZED FARMS ARE DISAPPEARING, AND LARGE FARMS ARE INCREASING IN NUMBER AND GETTING LARGER?"
29. SOME PEOPLE ARGUE THAT INFLATION HURTS FARMERS BY INCREASING THEIR COSTS, BUT ALSO HELPS FARMERS BY INCREASING THE VALUE OF THEIR ASSETS. DO YOU AGREE?
30. LAND USE QUESTIONS INCREASINGLY ENTER THE DISCUSSIONS ABOUT THE FUTURE OF AGRICULTURE. WOULD YOU AGREE THAT AGRICULTURAL LAND SHOULD BE PROTECTED FROM INFLATED LAND PRICES AND URBAN SPRAWL?
31. ENVIRONMENTALISTS AND HEALTH SPECIALISTS SAY THAT FARMERS SHOULD COMPLY WITH POLLUTION REGULATIONS, OSHA REGULATIONS, AND BE CAREFUL IN THEIR USE OF PESTICIDES, EVEN IF IT MEANS INCREASED FOOD PRODUCTION COSTS. DO YOU AGREE?
32. MANY PEOPLE ARE PERSUADED THAT AN ALTERNATIVE AGRICULTURE IN THE UNITED STATES, ONE MORE CONCERNED WITH ORGANIC METHODS AND LESS WITH CHEMICAL METHODS OF PRODUCTION, MIGHT BE BENEFICIAL FOR BOTH PEOPLE AND THE ENVIRONMENT IN THE LONG RUN. DO YOU AGREE?
33. MANY FARMERS RELISH THE THOUGHT OF INCREASING THE SALE OF THEIR PRODUCTS OVERSEAS. DO YOU AGREE THAT FARMERS SHOULD EXPORT AS MUCH AS THEY CAN, EVEN IF IT MEANS HIGHER U.S. FOOD PRICES?
34. OWNING LAND AND BEING ABLE TO FARM IT ARE LONG-HELD DEMOCRATIC IDEALS IN THIS COUNTRY. WOULD YOU AGREE, THEN, THAT ANYONE WHO WANTS TO OWN LAND AND FARM SHOULD BE ABLE TO DO SO?
35. WOULD YOU AGREE WITH THIS STATEMENT: "OWNERS OF AGRICULTURAL LAND, FARMERS OR NON-FARMERS, SHOULD BE ABLE TO USE IT AS THEY PLEASE?"
36. WOULD YOU AGREE WITH THE FOLLOWING IDEA: "IT DOES NOT MATTER HOW FARMING IS ORGANIZED, AS LONG AS CONSUMERS HAVE CHEAP FOOD?"
37. MANY PEOPLE DECRY THE INVOLVEMENT OF NON-FAMILY CORPORATIONS IN AGRICULTURE. WOULD YOU AGREE THAT SUCH CORPORATIONS SHOULD BE PERMITTED TO FARM?
38. SOME PEOPLE FEEL THAT U.S. AGRICULTURE SHOULD BE OPERATED TO INSURE THAT SUPPLIES WILL BE AVAILABLE TO MEET FOOD AID NEEDS OVERSEAS EVEN IF IT MEANS MORE INFLATION IN SOME YEARS. DO YOU AGREE?
39. A FEW PEOPLE WOULD ARGUE THAT THE MORAL STRENGTH OF THIS COUNTRY WOULD BE STRONGER WITH A LARGER NUMBER OF SMALL FARMS. DO YOU AGREE?
40. DO YOU THINK THE FOLLOWING HAVE HAD POSITIVE (+) OR NEGATIVE (-) OR NO (0) EFFECT ON "SMALL FARMS?" BUT, BEFORE WE BEGIN, COULD YOU BRIEFLY GIVE ME YOUR UNDERSTANDING OF WHAT A "SMALL FARM" MIGHT BE?
- \_\_\_ Agricultural commodity programs
  - \_\_\_ Expansion of U.S. agricultural exports
  - \_\_\_ Demand created by food stamps and food distribution programs
  - \_\_\_ Rural development (Industry, housing, transportation, health care)
  - \_\_\_ The availability of credit to buy or expand farms
  - \_\_\_ Agricultural research and education
  - \_\_\_ Suburban development
  - \_\_\_ Income taxes
  - \_\_\_ Estate taxes
  - \_\_\_ Non-farm employment
41. WHICH WOULD YOU PREFER?
- \_\_\_ Operators to own the land they farm
  - \_\_\_ Landowners free to operate or rent their lands
  - \_\_\_ An environment more free of pesticides but with higher food cost and quality
  - \_\_\_ An environment less free of pesticides but with lower food cost and quality
  - \_\_\_ Food with less chemical residues, but higher costs
  - \_\_\_ Food with more chemical residues, but lower costs
  - \_\_\_ Capital-intensive agriculture, with less inputs of labor
  - \_\_\_ Labor-intensive agriculture, with limited inputs of capital
  - \_\_\_ A farm structure you would find desirable through many government controls and limitations on individual freedom
  - \_\_\_ An undesirable farm structure with freedom for individual decision-making
  - \_\_\_ Continuation of support for farm prices and income, and fewer small farms
  - \_\_\_ Instability of farm prices and income, but more small farms
42. WE HAVE DISCUSSED MANY TOPICS HERE TODAY. WILL YOUR ORGANIZATION SPEND ANY TIME DURING THIS NEXT YEAR WORKING IN ANY WAY ON THESE TOPICS? IF SO, HOW?
43. WOULD YOU LIKE TO SAY ANYTHING ELSE ABOUT FARM STRUCTURE, OR ABOUT THIS INTERVIEW IN GENERAL?



APPENDIX II

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APPENDIX III

DIRECT QUOTATIONS FROM INTERVIEWS

## DIRECT QUOTATIONS FROM INTERVIEWS

The following are quotes taken directly from the interviews with the selected, nonfarm food and agricultural interest groups. Hopefully, they will reflect the range, style, flavor and candor of the respondents who offered their perceptions of U.S. farm structure.

The Bank of America has got a slogan now that says "Every acre a profit center," and they have no sense of the long range costs of what they are doing. I visited with a vice president of the Bank of America last spring, and I asked him what he and his company were going to do when the soil was depleted and people were forced to move off the land, and the environment was ruined. And he said, "I just don't know. That's really a tough question." No one had ever pointed out the problem to him before I did.

In a recent American Agricultural Movement newspaper, it said that if farmers gave their food away it wouldn't lower the cost of food in the groceries.

One thing must be kept in mind: 60% of our food production has come from millionaire farmers. Those who have a million dollars or more in net worth get a real boost with a boost in commodity programs. It means that 60% of our commodity payments go to millionaires. It has been long felt in this country that when taxpayers and consumers are asked to support farmers, they are supporting millionaires. The only step that has been taken thus far to correct it has been a limit on deficiency payments, to \$50,000. It is a big welfare check.

I am from Appalachia, and I know that people can be poor despite the extraction of great resources, used for energy production, from their earth.

Food stamp benefits should keep pace with inflation. Right now the programs are running 9-13% behind.

I read an article by a man recently in which he said that there is not one county agent in Iowa trained in organic farming techniques, while there were four hundred who could advise on pesticides.



We are not necessarily a nuts and berries organization, but what people eat concerns us.

The risks from corporations are not because they are competitive at the farm level, but at the vertical integration level. For some corporations, it doesn't matter where they put their profits. Others put them where there is no competition, for example, a chemical supply, seed corn and farm business enterprise. The risk is not in farming. They don't have to make a profit on the farm. Now my partner and I can't write off our farm profit and double it elsewhere...

I would not be against urban development where it does not take from agriculture. It is a complex issue for which we need planning. We have in this country systematically avoided taking on this struggle over conflicting social needs. We have had a crisis-response mentality, which has resulted in conflicting programs.

And anyone who wants to can pay for organically grown commodities now. If we discover that there really are long term environmental effects from the chemicals we are now using, they can be banned or regulated. But as a matter of public policy, it is not worth it to subsidize organic farming.

I endorse the connection between land holding (the control of land resources) and widespread participation in the socio-political process.

And the produce people buy has been treated with chemicals. People are not told about this--or they are not reminded at the time they purchase the products. Even things that are banned are still being used.

Land use is intricately tied up with the future wealth of the nation.

Just by saying the word "cooperative" does not mean that you don't have a corporation with a large profit motive.

I am afraid that powerful corporations, oil corporations, own the coal. They may force the hand of legislators against the long term interests of those with rights to the water--farmers, Indians and even city people. Like a gospel singer said so long ago: There ain't no shortcut to the promised land...



On the whole, economics is the major underlying reason for entry into any business, including farming. And the major reason for exit.

In an extreme situation, in developing countries, it is a very dangerous step to take, forming cooperatives. It demonstrates that campesinos have a power of their own. In our system you are not shot like some priests are in Latin America and elsewhere. But we make it hard for farm cooperatives in cleaner, more sophisticated ways.

People ought to have free choice. I think we should allow poor people to buy junk food with food stamps. All classes of people eat junk--the poor should be allowed to do so also.

There are virtues that are nurtured better in family situations like those often found on small farms, it is true. And there are elements of urban life that are not conducive to strong families or raising children capable of loving and being loved, and giving them a sufficient experience with the outdoors and nature to believe that there is a somewhat benevolent Creator. Many of these are the virtues that would be fostered on a small farm, but it is not the only place that might be done, it is not a necessary place. In many respects, it may not be farm communities that are important ones. They may be small communities of other kinds, for example, suburbs, that make for strong families and promote children's virtues. In fact, if small farms isolate people from others, they may be less useful because then the children will not be aware of their larger environment.

You're damned if you do and damned if you don't. Sure, I don't want inflated land prices and urban sprawl, but you can't protect agricultural land without a different economic system.

People eat in preference to almost anything else. If people have no other option, they will pay the higher prices for food. Enough farmers will always get enough income from farming to keep on doing it. The mix in farming and how it is done may change, but people will still eat.

You need to get rid of some of those turkeys at USDA.

Structural questions are those which involve looking beyond averages.

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